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FINANCIAL EDITION  
COMPRISING ALL THE  
ACTS OF PARLIAMENT, PROCLAMATIONS,  
ORDERS, &c.,  
PASSED AND MADE IN CONSEQUENCE OF THE  
WAR  
AND SPECIALLY AFFECTING  
FINANCIAL INTERESTS  
TO  
JUNE 4th, 1915.

EDITED BY  
ALEXANDER PULLING, C.B.,  
OF TRINITY COLLEGE, CAMBRIDGE, AND OF THE INNER TEMPLE,  
BARRISTER-AT-LAW.  
PUBLISHED BY AUTHORITY.

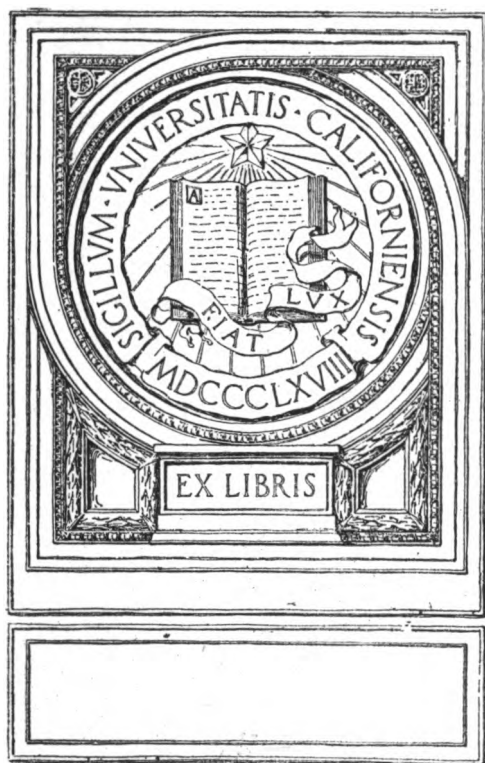


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TO MIND  
ADDITIONAL

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## PREFATORY NOTE.

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This Volume comprises the full text of all the Statutes, Proclamations, Licences of a general character, Treasury Minutes, Rules, Regulations, Announcements, Correspondence, Notices and Stock Exchange Resolutions specially affecting Financial Interests which have been passed and made to June 4th, 1915, in direct consequence of the European Crisis of August, 1914, and the ensuing State of War, with Notes.

These documents are herein divided into twelve sections, specified in the Table of Contents. The footnotes afford a guide from one document to another, and the full Index at the end of the book enables the tracing of any document.

This book being printed for the "King's Printer of Acts of Parliament" the copies of Acts therein contained have the same authorisation as separate copies of Acts similarly printed, and similarly purchasable.

The book being printed under the authority of His Majesty's Stationery Office, will by virtue of the Documentary Evidence Acts, 1868 to 1895 (31 & 32 Vict., c. 37; 45 & 46 Vict., c. 9; and 58 & 59 Vict., c. 9), be *prima facie* evidence in any legal proceedings of the Proclamations, Orders or Regulations contained in it which have been made by His Majesty the King, or by the Treasury, a Secretary of State, or the Board of Trade.

The number at the head of each Proclamation is that under which it has been printed and put on sale as a "Statutory Rule and Order," and by which separate copies of such Proclamation are purchasable from the official sale agents. Section 3 (2) of the Rules Publication Act, 1893, authorises the citation of "Statutory Rules and Orders" by such numbers and the calendar year.

In the case of Proclamations, &c., which have been gazetted the date of the first Gazette in which the document was published will be found in the footnotes.

ALEXANDER PULLING.

The Temple,  
June 4, 1915.

---



1

JAN. 10  
1914

# I.—CURRENCY AND BANK NOTES.<sup>(a)</sup>

(1) THE CURRENCY AND BANK NOTES ACT, 1914 (4 & 5 GEO. 5, c. 14).

An Act to authorise the issue of Currency Notes, and to make provision with respect to the Note Issue of Banks.<sup>(b)</sup>

[6th August 1914.]

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) The Treasury may, subject to the provisions of this Act, issue currency notes for one pound and for ten shillings, and those notes shall be current in the United Kingdom in the same manner and to the same extent and as fully as sovereigns and half-sovereigns are current and shall be legal tender in the United Kingdom for the payment of any amount. One pound and ten shilling currency notes.

(2) Currency notes under this Act shall be in such form and of such design and printed from such plate and on such paper and be authenticated in such manner as may be directed by the Treasury.

(3) The holder of a currency note shall be entitled to obtain on demand, during office hours at the Bank of England, payment for the note at its face value in gold coin which is for the time being legal tender in the United Kingdom.

(4) The Treasury may, subject to such conditions as to time, manner, and order of presentation as they think fit, call in any currency notes under this Act on paying for those notes at their face value in gold.<sup>(c)</sup>

(5) Currency notes under this Act shall be deemed to be bank notes within the meaning of the Forgery Act, 1913,<sup>(d)</sup> and any other enactment relating to offences in respect of bank notes which is for the time being in force in any part of the British Islands, and to be valuable securities within the meaning of the Larceny Act, 1861,<sup>(e)</sup> and any other law relating to stealing which is for the time being in force in any part of the British Islands, and to be current coin of the realm for the purpose of the Acts relating to truck and any other like enactment. 3 & 4 Geo. 5, c. 27.  
24 & 25 Vict. c. 96.

(6) *For the purpose of meeting immediate exigencies all postal orders issued either before or after the passing of this Act shall temporarily be current and legal tender in the United Kingdom in the same manner and to the same extent and as fully as current coins, and shall be legal tender in the United Kingdom for the payment of any amount.*

(a) Documents relating to "BELGIAN CURRENCY AND BANK NOTES" are printed under that heading at p. 151 below.

(b) This Act is amended by the Currency and Bank Notes (Amendment) Act, 1914 (4 & 5 Geo. 5, s. 72), printed at p. 11 below

(c) or on exchanging the notes so called in for other notes. See 4 & 5 Geo. 5, c. 72, s. 1, printed at p. 11 below.

(d) This Act does not extend to Scotland. See 3 & 4 Geo. 5, c. 27, s. 21.

(e) This Act, except where expressly provided, does not apply to Scotland.



*The holder of any such postal order shall be entitled to obtain on demand, during office hours at the Bank of England, payment for the postal order at its face value in any coin which is for the time being legal tender in the United Kingdom for the amount of the note.*

8 Edw. 7.  
c. 48.

*Proviso (b) and (c) to subsection (1) of section twenty-four of the Post Office Act, 1908, shall not apply to any such postal orders.*

*This subsection shall have effect only until His Majesty by proclamation revokes the same, and any proclamation revoking this subsection may provide for the calling in or exchange of any postal orders affected thereby. (a)*

Issue of  
currency  
notes.

**2.** Currency notes may be issued (b) to such persons and in such manner as the Treasury direct, (c) but the amount of any notes issued to any person shall, by virtue of this Act and without registration or further assurance, be a floating charge in priority to all other charges, whether under statute or otherwise, on the assets of that person. (d)

Authority to  
issue bank  
notes beyond  
limit.

**3.** The governor and company of the Bank of England and any persons concerned in the management of any Scottish or Irish bank of issue may, so far as temporarily authorised by the Treasury and subject to any conditions attached to that authority, issue notes in excess of any limit fixed by law (e); and those persons are hereby indemnified, freed, and discharged from any liability, penal or civil, in respect of any issue of notes beyond the amount fixed by law which has been made by them since the first day of August nineteen hundred and fourteen in pursuance of any authority of the Treasury or of any letter from the Chancellor of the Exchequer, and any proceedings taken to enforce any such liability shall be void.

Power to  
make bank  
notes not  
otherwise  
legal tender  
in Scotland  
and Ireland.

**4.** Any bank notes issued by a bank of issue in Scotland or Ireland shall be legal tender for a payment of any amount in Scotland or Ireland respectively, and any such bank of issue shall not be under any obligation to pay its notes on demand except at the head office of the bank, and may pay its notes, if thought fit, in currency notes issued under this Act:

Provided that notes which are legal tender under this section shall not be legal tender for any payment by the head office of

(a) Subsection (6) of Section 1 was revoked as from February 3rd, 1915, by Proclamation, printed at p. 14 below.

(b) As to certificates covering issue of notes see 4 & 5 Geo. 5, c. 72, s. 2, printed at p. 11 below.

(c) See the arrangements made under the Act and the Treasury Minutes printed below.

(d) Clause 18 of the Finance Bill, now before Parliament, provides as follows:—

**18.** The amount of any currency notes issued under the Currency and Bank Notes Act, 1914, to any person shall be a floating charge on the assets of that person in priority to all other floating charges, but not in priority to charges which are not floating charges; and, accordingly, section two of that Act shall have effect and be deemed always to have had effect as if the word "floating" were inserted immediately before the word "charges."

(e) As to such limit as regards Bank of England see Bank Charter Act, 1844, ss. 2-6, and ten successive Orders in Council, 1855 to 1903, authorising additional issue of notes, and printed in "Statutory Rules and Orders Revised" (1904), Vol. 1, "Bank of England," pp. 25-37. As to such limit as regards Scottish and Irish banks of issue, see footnote (a) to p. 8 below

Amendment  
as to priority  
of charge for  
currency notes.  
4 & 5 Geo. 5.  
c. 14.

the bank by whom they are issued for the purpose of the payment of notes issued by that bank.

This section shall have effect only until His Majesty by proclamation<sup>(a)</sup> revokes the same, and any proclamation revoking this section may provide for the calling in or exchange of notes affected thereby.

5.—(1) In this Act, the expression “bank of issue” means any bank having power for the time being to issue bank notes. Interpretation, short title, and extent.

(2) This Act may be cited as the Currency and Bank Notes Act, 1914.

(3) This Act shall apply to the Isle of Man as if it were part of the United Kingdom, but shall not apply to any other British possession.

---

(2) ARRANGEMENTS UNDER THE CURRENCY AND BANK NOTES ACT, 1914, FOR PLACING CURRENCY NOTES AT THE DISPOSAL OF THE BANKS FOR MEETING EXCEPTIONAL DEMANDS.

The following are the arrangements made in accordance with the provisions of the Currency and Bank Notes Act, 1914,<sup>(b)</sup> for placing currency notes at the disposal of the Banks for meeting exceptional demands.

(1) *England and Wales.*

Currency notes are issued through the Bank of England to bankers as and when required up to a maximum limit not exceeding, in the case of any bank, 20 per cent. of its liabilities on deposit and current accounts.

The amount of notes issued to each Bank is treated as an advance by the Treasury to that Bank bearing interest from day to day at the current Bank rate, the security for the Treasury advance consisting of a floating charge on the assets of the Bank up to the amount of the notes issued. The Bank is permitted to repay the whole or any part of any advance at any time. Any amount repaid can be renewed if and when necessity arises, provided that the total amount outstanding at any one time does not exceed the authorised percentage of the Bank's liabilities.

Any sums received by the Bank of England in repayment of advances are either applied forthwith to cancelling any currency notes which have been returned from circulation and are for the time being in the hands of the Bank of England, or, in so far as any such sums may exceed the amount of currency notes returned from circulation in the hands of the Bank of England at the time of receipt, are carried to a separate account in the books of the Bank of England and applied to the cancellation of notes as when they return from circulation.

In order to give the Banks the advantage of the credit allowed under this arrangement even though actual currency may not be required, it is proposed by the amending Bill<sup>(c)</sup> to take power to issue certificates in lieu of actual notes.

---

(a) No Proclamation has (June 4th, 1915) been made under Section 4.

(b) 4 & 5 Geo. 5. c. 14, printed at pp. 1-3 above.

(c) This Bill passed into law as the Currency and Bank Notes (Amendment) Act, 1914 (c. 72), printed at p. 11 below.

*Arrangements under Currency and Bank Notes Act.*

The effect of the issue of these certificates will be that the Banks will be able to obtain credits with the Bank of England on the same terms as currency notes and the expense of printing and handling notes will be avoided except in so far as the notes may be required for actual circulation.

*(2) Scotland and Ireland.*

The arrangement in England and Wales applies generally to Scotland and Ireland, but in the case of Banks of Issue in Scotland and Ireland currency notes, instead of being issued to the public, are used as cover for the Banks' own notes. This arrangement has in practice the effect of enabling the Scottish and Irish Banks of Issue to exceed the normal limits of issue of fiduciary notes so long as such excess issues are covered by currency notes.

The new certificates will also be available for the purpose of cover for these issues.

A Return of currency notes issued and in circulation will be published each Friday in the London, Edinburgh and Dublin Gazettes in the following form<sup>(a)</sup> :—

**I.—ISSUE ACCOUNT.**

Total issued up to , inclusive.			Notes cancelled up to , inclusive.		
£ s. d.			£ s. d. £ s. d.		
£1	...	...	£1	...	
10s.	...	...	10s.	...	
<hr/>			<hr/>		
Issued during the week ended			Cancelled during the week ended :—		
<hr/>			<hr/>		
£ s. d.			£ s. d.		
£1	...	...	£1	...	
10s.	...	...	10s.	...	
<hr/>			<hr/>		
			Total ...		
			Outstand- ing :—		
			£1 ...		
			10s. ...		
<hr/>			<hr/>		
Total ...			Total ...		
<hr/>			<hr/>		

(a) (i) These Returns commence with the London Gazette of August 28th, 1914, the Edinburgh Gazette of September 1st, 1914, and the Dublin Gazette of September 1st, 1914.

(ii) The form of Return, which as gazetted is now headed "CURRENCY NOTES (4 & 5 Geo. 5, cc. 14 & 72)," is here printed in its present form, in which, as shewn by the footnotes, certain additional entries occur in the balance sheet.

## II.—BALANCE SHEET.

	£	s.	d.		£	s.	d.
Notes outstanding ...				Advances :—			
				Scottish and Irish			
				Banks of Issue ...			
				Other Bankers ...			
				Post Office Savings			
				Bank ... ..			
				Trustee Savings			
				Bank ... ..			
				Currency Note Re-			
				demption Account :—			
				(a) Gold Coin and			
				Bullion ...			
				(a) Government Se-			
				curities ...			
				(a) Balance at the			
Investments Reserve				Bank of Eng-			
Account(b) ...				land ... ..			
Total ...				Total ...			

(3) TREASURY MINUTE DATED AUGUST 6, 1914, AS TO THE ISSUE OF CURRENCY NOTES. (c)

My Lords read the Currency and Bank Notes Act, 1914, 4 & 5 Geo. 5, c. 14,(a) in which it is provided that the Treasury may, subject to the provisions of the Act, issue Currency Notes for 1l. and 10s. and these Notes shall be current in the United Kingdom in the same manner and to the same extent and as fully as sovereigns and half-sovereigns are current and shall be legal tender in the United Kingdom for the payment of any amount.

The Chancellor of the Exchequer calls the attention of the Board to the provisions of the Act requiring:—

1. That Currency Notes shall be in such form and of such design and printed from such plate and on such paper and be authenticated in such manner as may be directed by the Treasury.

(a) These entries were inserted later.

(b) This entry was inserted in consequence of the Treasury Minute of May 3rd, 1915, printed at p. 15 below.

(c) This Minute is amended by Minutes of August 20th and October 22nd, 1914, and January 19th, 1915, printed below.

(d) This Act is printed at pp. 1-3 above



2. That Currency Notes may be issued to such persons and in such manner as the Treasury direct.

The Chancellor of the Exchequer recommends to the Board:—

(1) *That the Currency Notes for £1 and 10s. respectively shall be printed on paper of the same kind and quality and bearing the same water-marks as the paper at present used for postage and insurance stamps and shall be in the form and design of the specimen notes<sup>(a)</sup> attached to this Minute<sup>(b)</sup> and that all Currency Notes shall be authenticated by the signature in facsimile of one of Their Lordships' Permanent Secretaries.*

(2) That the issue of Currency Notes to Bankers shall be made by Their Lordships through the Bank of England as and when required to an amount not exceeding in the case of each bank 20 per cent. of the total liabilities of that bank on deposit and current accounts as shown in its monthly statement last issued before the date of this Minute subject to the following conditions:—

*(a) That Currency Notes shall be issued only upon application from the bank requiring the issue, such application to be made in the case of banks having accounts with the Bank of England direct to the Bank of England and in the case of banks not having accounts with the Bank of England through the London agents of such banks.<sup>(c)</sup>*

*(b) That the amount of Notes issued to each bank shall be treated as an advance by the Treasury to that bank, bearing interest from day to day at the current Bank Rate: provided that the bank may at any time repay the whole or any part of such advance, either in Currency Notes or otherwise.*

(3) That Currency Notes shall be issued through the Bank of England as and when required upon the application of the National Debt Commissioners to the Postmaster-General for the purposes of providing cash for the Post Office Savings Bank fund and to the order of the trustees of any Trustee Savings Bank to such amount as may from time to time be necessary to provide funds for the payment of sums due to depositors, the amount of any notes so issued to be treated as advances to the

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(a) Not reproduced in this Minute as printed as a Parliamentary Paper, nor in this Volume.

(b) This direction, so far as printed in italics, ceased to have effect from October 23rd, 1914, so far as concerns Currency Notes for £1 and from January 21st, 1915, so far as concerns Currency Notes for 10s., but without affecting the legal tender character of notes already issued. See Treasury Minutes of October 22nd, 1914, and January 19th, 1915, printed at pp. 11-13 below.

(c) By Treasury Minute of August 20th, 1914, printed at p. 9 below, a new paragraph was substituted for this paragraph.

*Treasury Minute as to Excess Bank Note Issue by Scottish  
and Irish Banks.*

Post Office Savings Bank fund and the fund for the Banks for Savings as the case may be, bearing interest at such rate as the Treasury may from time to time determine.

- (4) That all Currency Notes received from any bank or from the Postmaster-General or the trustees of any Trustee Savings Bank in repayment of advances made in Currency Notes shall forthwith, except in so far as they may be required for re-issue, be cancelled and any sums received by the Bank of England otherwise than in Currency Notes in respect of repayment of such advances shall forthwith be applied to cancelling any Currency Notes which have been returned from circulation and are for the time being in the hands of the Bank of England, or, in so far as such sums may exceed the amount of Currency Notes returned from circulation in the hands of the Bank of England at the time of receipt, shall be carried to a separate account in the books of the Bank of England and applied to the cancellation of such Notes as and when they return from circulation.
- (5) *That all sums payable in respect of interest upon advances made by means of the issue of Currency Notes shall be paid to the Bank of England, and shall, after deduction by the Bank of England of whatever amount may be agreed between the Bank of England and the Treasury as a fair remuneration for its services in connection with the issue and withdrawal of Currency Notes, be paid by them into the Exchequer.*(a)

My Lords concur.

- 
- (4) TREASURY MINUTE DATED AUGUST 6, 1914, AS TO THE ISSUE OF NOTES BY BANKS OF ISSUE IN SCOTLAND AND IRELAND IN EXCESS OF THE LIMITS FIXED BY LAW.

The Chancellor of the Exchequer calls the attention of the Board to the provisions of sections 3 and 4 of the Currency and Bank Notes Act, 1914, 4 & 5 Geo. 5, c. 14,(b) under which any person concerned in the management of any Scottish or Irish Bank of

---

(a) Paragraph 5 is superseded by Minute of May 3rd, 1915, printed at p. 15 below.

(b) This Act is printed at pp. 1-3 above.

*Treasury Minute as to Excess Bank Note Issue by Scottish  
and Irish Banks.*

Issue may, so far as temporarily authorised by the Treasury and subject to any condition attached to that authority, issue notes in excess of any limit fixed by law.(a)

The Chancellor of the Exchequer recommends to the Board that in view of the apprehended shortage of currency in Scotland and Ireland the various Banks of Issue in those parts of the United Kingdom should be authorised temporarily to increase their issues by such amount as may in their opinion be necessary to meet the legitimate requirements for legal tender money in the various areas in which their business is conducted by an amount not exceeding in the case of any such bank 20 per cent. of its total liabilities on current and deposit accounts as shown in the monthly balance-sheet last issued before the date of this Minute.

The Chancellor of the Exchequer recommends that this authority be given subject to the following conditions:—

- (1) That the bank shall not have in circulation upon the average of any period of four weeks, to be ascertained in accordance with the provisions of the Acts regulating the issue of Bank Notes in Scotland and Ireland (8 & 9 Vict. c. 38(b) and 8 & 9 Vict. c. 37(c)), a greater amount of notes (including any such excess issue) than an amount composed of the sum certified by the Commissioners of Inland Revenue in accordance with the provisions of those Acts(a) and the monthly average amount of gold and silver coin and currency notes held by the bank at the head office or principal place of issue during the same period of four weeks to be ascertained in the manner provided in those Acts: provided that currency notes deposited in

---

(a) The limit fixed by law on the note issue of these banks is the amount authorised by the Certificate of each Bank of Issue plus the monthly average amount of gold and silver coin held at the head offices of the Bank (*see* Bank Notes (Scotland) Act, 1845 (8 & 9 Vict. c. 38) and Bankers (Ireland) Act, 1845 (8 & 9 Vict., c. 37). The amount authorised by the Certificate of each such Bank is as follows:—

*Scottish Banks.*

Bank of Scotland, £396,852.  
 Royal Bank of Scotland, £216,451.  
 British Linen Bank, £438,024.  
 Commercial Bank of Scotland, Limited, £374,880.  
 National Bank of Scotland, Limited, £297,024.  
 Union Bank of Scotland, Limited, £454,346.  
 North of Scotland and Town and County Bank, Limited, £224,452.  
 Clydesdale Bank, Limited, £274,321.

*Irish Banks.*

Bank of Ireland, £3,738,428.  
 Provincial Bank of Ireland, Limited, £927,667.  
 Belfast Banking Company, Limited, £281,611.  
 Northern Banking Company, Limited, £243,440.  
 Ulster Bank, Limited, £311,079.  
 National Bank, Limited, £852,269.

(b) "The Bank Notes (Scotland) Act, 1845," *see* Short Titles Act, 1896 (59 & 60 Vict. c. 14).

(c) "The Bankers (Ireland) Act, 1845," *see* Short Titles Act, 1896 (59 & 60 Vict. c. 14).

the name of the bank with the Governor and Company of the Bank of England shall be treated for the purpose of such ascertainment as if they were currency notes held at the head office.

- (2) That the bank shall at any time, if so directed by the Treasury, repay in gold or silver coin or currency notes any of its notes which may be presented for payment after the date of such direction, whereupon the amount of the excess issue authorised by this Minute shall be reduced by the amount of notes so repaid.
- (3) That the bank shall forthwith apply to the Treasury through the Bank of England for an issue of currency notes of such amount as to secure that the first of the above-mentioned conditions shall be complied with in respect of the four-weekly period now current, and shall as from the 7th day of August 1914 have authority to increase its issue to the extent to which that issue might have been increased if currency notes to the amount applied for had been deposited with the Bank of England, notwithstanding that such notes may not at the time of application be available for deposit, and the payment to the Treasury in respect of such notes under the conditions applicable thereto shall be calculated as if the notes applied for had been issued at the date of application.
- (4) That the bank shall pay to the Treasury in respect of currency notes issued to the bank in accordance with the terms of this Minute such sums as are directed by the Treasury Minute of even date relating to the issue of currency notes,<sup>(a)</sup> and that the Treasury shall allow to the bank whatever sum may be agreed between the Treasury and the bank to be a fair charge for the expenses incurred by the bank in respect of the excess issue.

My Lords concur.

---

(5) TREASURY MINUTE DATED AUGUST 20, 1914, AS TO THE ISSUE OF CURRENCY NOTES.

My Lords read again Their Minute of the 6th instant,<sup>(a)</sup> on the subject of the issue of Currency Notes under the Currency and Bank Notes Act, 1914 (4 & 5 Geo. 5. c. 14).<sup>(b)</sup>

The Chancellor of the Exchequer represents to the Board that it is desirable, with a view to facilitating the issue of notes and the accounting arrangements in connection therewith, that in the case of issues to bankers under that Minute the issue should in all cases be made through the Bank of England direct to the bank concerned, whether such bank has an account with the Bank of England or not.

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(a) That Minute is printed at pp. 5-7, above.

(b) This Act is printed at pp. 1-3 above.



My Lords concur and are pleased to amend Their Minute of the 6th instant<sup>(a)</sup> accordingly by the substitution for paragraph (2) (a) of the following paragraph:—

- (a) That Currency Notes shall be issued only upon application from the bank requiring the issue, such application to be made through the Bank of England.

The Chancellor of the Exchequer further recommends to the Board:—

- (1) That Currency Notes as well as being issued in accordance with paragraphs (2) and (3) of the Treasury Minute of the 6th instant<sup>(a)</sup> shall be issued to any person upon application through the Bank of England on payment of the face value of the notes required, the amount paid being carried to the separate account prescribed by paragraph (4) to be called the Currency Note Redemption Account.
- (2) That new Currency Notes shall, as occasion arises, be issued through the Bank of England in exchange for Currency Notes which have been defaced or damaged, and such defaced or damaged Currency Notes shall forthwith be cancelled. No mutilated note shall be accepted for exchange unless at least four cyphers of the number (counting the series index as a single cypher) are clearly distinguishable on the same fragment of it.
- (3) That the limit of the amount of Currency Notes to be issued to each bank under paragraph (2) of the Minute shall be applied with reference to the net amount issued, that is to say, that for the purpose of determining the further amount which may at any time be issued to any bank there shall be deducted from the total issues already made to that bank any repayments (whether in Currency Notes or otherwise) made under the proviso to paragraph (2) (b) of the Minute.
- (4) That the interest payable by each bank under paragraph (2) (b) of the Minute shall be calculated monthly to the last day of each calendar month, and shall be payable to the Bank of England within the seven days next following.
- (5) That the Bank of England shall on Thursday of each week transmit to Their Lordships returns of transactions in regard to the issue of Currency Notes in the form appended to this Minute<sup>(b)</sup> and such returns shall be published in the London, Edinburgh and Dublin Gazettes.<sup>(c)</sup>

My Lords concur.

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(a) That Minute is printed at pp. 5-7 above.

(b) Not reproduced in this Minute as printed as a Parliamentary Paper nor in this Supplement. See the form annexed to the Explanatory Memorandum printed at pp. 4, 5 above.

(c) These Returns commence with the London Gazette of August 28th, 1914, Edinburgh Gazette of September 1st, 1914, and the Dublin Gazette of September 1st, 1914.

(6) THE CURRENCY AND BANK NOTES (AMENDMENT) ACT, 1914  
(4 & 5 GEO. 5, c. 72).

An Act to amend the Currency and Bank Notes Act, 1914.  
[28th August 1914.]

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. The power of the Treasury to call in currency notes under subsection (4) of section one of the Currency and Bank Notes Act, 1914,(a) shall be extended so as to include a power to call in currency notes, on exchanging the notes so called in, for other notes of the same face value issued under that Act.

Power to call in notes for the purpose of exchange for other notes.  
4 & 5 Geo. 5. c. 14.

2. The Treasury may, if they think fit, instead of issuing any notes to any person, give to that person a certificate entitling him to the issue, on demand from the Treasury, of the notes mentioned in the certificate; and the notes covered by the certificate shall, for the purposes of section two of the Currency and Bank Notes Act, 1914, be deemed to be notes issued to that person.

Certificates covering issue of notes.

3. This Act may be cited as the Currency and Bank Notes (Amendment) Act, 1914.

Short title.

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(7) TREASURY MINUTE DATED OCTOBER 22, 1914, AS TO THE ISSUE OF CURRENCY NOTES FOR ONE POUND OF NEW DESIGN.(b)

My Lords read again Their Minute of the 6th August 1914(c) directing among other things that Currency Notes for 1*l.* and 10*s.* respectively shall be printed on paper of the same kind and quality and bearing the same water-marks as the paper at present used for postage and insurance stamps and shall be in the form and design of the specimen notes attached to that Minute.

The Chancellor of the Exchequer recommends to the Board that as from the 23rd instant the above directions of Their Minute of the 6th August 1914(c) shall cease to have effect so far as concerns currency notes for 1*l.* and that all notes for 1*l.* issued on or after the 23rd instant under the provisions of the Currency and Bank Notes Act, 1914 (4 & 5 Geo. 5 c. 14),(a) shall conform to the following directions, viz.:—

(1) Each note shall be rectangular in form and its size shall be  $5\frac{1}{8}$  inches by  $3\frac{5}{16}$  inches.

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(a) This Act is printed at pp. 1-3 above.

(b) The provisions of this Minute were by Treasury Minute of January 19th, 1915, printed at p. 13, below, applied with modifications to Currency Notes for Ten Shillings.

(c) That Minute is printed at pp. 5-7 above.

(2) The paper used shall be White Bank Note Paper, bearing the following water-marks:—

(a) The words “One Pound” in large capital letters near the top of the note.

(b) Below the above water-mark the four national emblems of the United Kingdom in two rows, the rose and the thistle forming the upper row and the shamrock and the daffodil the lower row.

(c) On either side and rather below the middle of the note, a representation of the royal cipher.

(d) On either side of the lower row of national emblems, the symbol £1.

(e) A background of wavy lines crossing the note from side to side, contained by two similar wavy lines near to the right and left sides of the note and covering substantially the whole surface of the note, except the spaces in which are printed the medallions referred to below, and the spaces outside and contiguous to the representations of the royal cipher.

(3) The design of the note shall be as follows:—

(a) The words “One Pound” shall be printed across the middle of the note in large white capital letters on a decorative black background. Above this shall be printed in black ink the words “United Kingdom of Great Britain and Ireland” (in capitals), followed by the words “One Pound Currency Notes “are Legal Tender for the payment of any amount,” and below shall be printed in black ink the words “Issued by the Lords Commissioners of His Majesty’s Treasury under the Authority of Act of Parliament “(4 & 5 Geo. 5. c. 14),” and each note shall be authenticated by the signature in facsimile of one of Their Lordships’ Permanent Secretaries, in black ink.

(b) There shall appear, at the top left-hand corner, a medallion containing the King’s effigy surrounded by a scroll bearing the royal titles, the whole surmounted by the Imperial Crown, and at the top right-hand corner a medallion consisting of a representation within a Garter of St. George slaying a dragon, the whole surmounted by the Imperial Crown. At the bottom left-hand corner there shall appear the symbol £1 in large type, and to the right of this shall be shown the number of the note.

The medallion, symbol and number shall be printed in black ink.

My Lords concur.

Nothing in this Minute affects the legal tender character of notes issued under Their Lordships' previous Minutes until such notes are called in as provided in Section 1 of the Currency and Bank Notes (Amendment) Act, 1914 (4 & 5 Geo. 5. c. 72).<sup>(a)</sup>

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(8) TREASURY MINUTE DATED JANUARY 19, 1915, AS TO THE ISSUE OF CURRENCY NOTES FOR TEN SHILLINGS OF NEW DESIGN.

My Lords refer to Their Minutes of the 6th August 1914<sup>(b)</sup> and the 22nd October 1914<sup>(c)</sup> relative to the issue of Currency Notes for 1*l.* and 10*s.*

By their Minute of the 22nd October 1914<sup>(c)</sup> directions were given that as from the 23rd October 1914 certain directions of Their Minute of the 6th August 1914<sup>(b)</sup> should cease to have effect so far as concerned currency notes for 1*l.* and that all such notes issued on or after the 23rd October 1914 under the provisions of the Currency and Bank Notes Act, 1914 (4 & 5 Geo. 5. c. 14),<sup>(d)</sup> should conform to the directions of Their Minute of the 22nd October 1914.

The Chancellor of the Exchequer now recommends to the Board that similar directions be given as regards currency notes for 10*s.* He proposes that as from the 21st instant the provisions of Treasury Minute of the 22nd October 1914 shall apply to all currency notes for 10*s.* issued on or after the 21st instant, subject to the following modifications:—

- (1) The size of each note shall be 5 $\frac{1}{8}$  inches by 3 $\frac{1}{8}$  inches.
- (2) The words "Ten Shillings" and the symbol 10*s.* shall appear in the water-mark and design of the Currency Note for 10*s.* in all places where the words "One Pound" and symbol £1 appear in the note for 1*l.*, and red ink shall be used in place of black ink throughout.

My Lords concur.

Nothing in this Minute affects the legal tender character of notes issued under Their Lordships' previous Minutes until such notes are called in as provided in Section 1 of the Currency and Bank Notes (Amendment) Act, 1914 (4 & 5 Geo. 5. c. 72).<sup>(a)</sup>

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(a) This Act is printed at p. 11 above.

(b) The Minute of August 6th is printed at pp. 5-7 above.

(c) The Minute of October 22nd is printed at pp. 11-13 above.

(d) This Act is printed at pp. 1-3 above.

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*Proclamation declaring Postal Orders no longer Legal Tender.*

- (9) PROCLAMATION, DATED FEBRUARY 3, 1915, REVOKING SECTION 1 (6) OF THE CURRENCY AND BANK NOTES ACT, 1914, WHEREBY POSTAL ORDERS WERE MADE CURRENT AND LEGAL TENDER.(a)

1915. No. 61.

BY THE KING.

A Proclamation revoking Subsection (6) of Section One of the Currency and Bank Notes Act, 1914, whereby Postal Orders are made Legal Tender.

*George R.I.*

Whereas by subsection (6) of Section one of the Currency and Bank Notes Act, 1914,(b) it was provided as follows:—

“(6) For the purpose of meeting immediate exigencies all postal orders issued either before or after the passing of this Act shall temporarily be current and legal tender in the United Kingdom in the same manner and to the same extent and as fully as current coins, and shall be legal tender in the United Kingdom for the payment of any amount.

“The holder of any such postal order shall be entitled to obtain on demand, during office hours at the Bank of England, payment for the postal order at its face value in any coin which is for the time being legal tender in the United Kingdom for the amount of the note.

“Provisoes (b) and (c) to subsection (1) of Section twenty-four of the Post Office Act, 1908,(c) shall not apply to any such postal orders.

“This subsection shall have effect only until His Majesty by Proclamation revokes the same, and any Proclamation revoking this subsection may provide for the calling in or exchange of any postal orders affected thereby.”

And whereas it is desirable that in accordance with the powers thereby conferred the said subsection should be revoked as from such date and subject to such provision for the calling in thereof as are contained in this Proclamation:

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, and We do hereby proclaim direct and ordain as follows:—

1. Subsection (6) of Section one of the Currency and Bank Notes Act, 1914,(b) is hereby revoked as from the date of this Proclamation; and accordingly any postal orders to which that subsection applies shall cease to be current and legal tender as therein provided as from that date.

2. The holder of any such postal order shall be entitled to obtain on demand at any time before the first day of June nineteen hundred and fifteen, during office hours at any money order office in the United Kingdom, payment for the order at its face

(a) This Proclamation was published in the “London Gazette” of February 3rd, 1915, being the 2nd Supplement to the Gazette of February 2nd; in the “Edinburgh Gazette” of February 4th, 1915, being the 2nd Supplement to the Gazette of February 2nd; and in the “Dublin Gazette” of February 5th, 1915.

(b) 4 & 5 Geo. 5. c. 14, printed at pp. 1–3 above.

(c) 8 Edw. 7. c. 48.

value in coins or currency notes which are for the time being legal tender in the United Kingdom.

Given at Our Court at Buckingham Palace, this Third day of February, in the year of Our Lord one thousand nine hundred and fifteen, and in the Fifth year of Our Reign.

God save the King.

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(10) TREASURY NOTICE, DATED FEBRUARY 16, 1915, AS TO ADVERTISEMENTS IN A FORM RESEMBLING CURRENCY NOTES, AND THE STAMPING OF ADVERTISEMENTS ON SUCH NOTES.

The attention of the Treasury has been called to a practice which has recently come into existence of issuing advertisements, *e.g.*, advertisements of music halls, theatres, picture palaces, &c., in a form resembling currency notes.

These documents bear a very close resemblance in shape and design to genuine currency notes, and may readily be mistaken for them, and instances have actually occurred in which such documents have been passed as genuine currency notes.

As the issue of advertisements in this form has proved conducive to frauds upon the public, the Treasury find it necessary to warn all parties concerned in the manufacture and issue of such documents that the practice must henceforth be discontinued, and that they will feel constrained to proceed against all parties who hereafter continue either to print or to utter advertisements in this form.

The Treasury is advised that the printing or use of advertisements bearing words, figures, or marks peculiar to currency notes is a felony under Section 9 of the Forgery Act, 1913,<sup>(a)</sup> punishable with penal servitude.

Further, the Treasury regard as highly objectionable the practice, to which their attention has also been called, of stamping on genuine currency notes advertisements of individual firms or articles.

Treasury Chambers, Whitehall, S.W.,  
16th February, 1915.

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(11) TREASURY MINUTE DATED MAY 3, 1915, AS TO INTEREST ON CURRENCY NOTE ADVANCES AND ON SECURITIES HELD ON ACCOUNT OF THE CURRENCY NOTE REDEMPTION ACCOUNT.

My Lords read again their Minute of the 6th August, 1914,<sup>(b)</sup> on the subject of the issue of Currency Notes under the Currency and Bank Notes Act, 1914 (4 & 5 Geo. 5. c. 14).<sup>(c)</sup>

By paragraph 5 of that Minute it was directed that all sums payable in respect of interest upon advances made by means of the issue of Currency Notes shall be paid to the Bank of England, and shall, after deduction by the Bank of England of whatever amount may be agreed between the Bank of England and the Treasury as a fair remuneration of its services in connection with the issue and withdrawal of Currency Notes, be paid by them

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(a) 3 & 4 Geo. 5, c. 27.

(b) Printed at pp. 7-9 above.

(c) This Act is printed at pp. 1-2 above.

*Interest on Currency Note Advances, and on Securities held on account of the Currency Note Redemption Account.*

into the Exchequer, but no directions have been given as to the treatment of the interest payable in respect of securities held on account of the Currency Note Redemption Account.

The Chancellor of the Exchequer recommends to the Board that these directions should now be revised and extended to interest earned on these latter securities.

He states to the Board that the Bank have informed him that during the continuance of the War they do not propose to make any charge for their services in connection with the issue.

The question of remuneration to the Bank does not therefore at present arise, but if and when it arises the Chancellor is of opinion that it will be more proper that such remuneration should, with the other expenses of issue, be charged against moneys provided by Parliament, and that the question of the appropriation-in-aid of such expenses of the whole or any part of the sums payable to the Exchequer in respect of the issue should be considered in due course.

The Chancellor now proposes that all interest received whether upon advances made in Currency Notes or upon securities held for the Currency Note Redemption Account should be utilised, in the first place, in order to provide a fund for meeting any losses which may from time to time be incurred upon the realisation of the securities, and that the balance after making suitable provision for this purpose should be paid into the Exchequer, and he accordingly recommends that their Lordships should give directions that:—

- (1) The interest on all advances made in Currency Notes and on the securities held for the Currency Note Redemption Account shall, as it accrues, be credited to the assets of that Account as shown in the weekly return and the amount so credited shall be shown under a separate heading among the liabilities under the title of "Investments Reserve Account."
- (2) The Securities held on account of the Currency Note Redemption Account shall continue to be shown in the return at cost price and any profit or loss upon realisation or repayment shall when it accrues be credited or debited as the case may be to the "Investments Reserve Account." Any advances made in Currency Notes which may prove to be irrecoverable shall when written off be debited to that Account.
- (3) If at any time the amount standing to the credit of the Investments Reserve Account exceeds by more than 100,000*l.* the proportion which may be fixed by their Lordships from time to time as necessary to provide an adequate reserve, due regard being had to the character of the securities held and of the other assets of the fund, the whole amount of the excess over the fixed proportion shall be transferred to the Exchequer.

My Lords concur and are pleased to direct that the amount below which the balance of the Investments Reserve Account shall not be reduced by transfers to the Exchequer be fixed for the time being at 5 per cent. of the total securities held and advances outstanding.

## II. FINANCIAL ASSISTANCE TO ENEMY GOVERNMENT.

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PROCLAMATION, DATED AUGUST 5, 1914, NOTIFYING THAT BRITISH SUBJECTS CONTRIBUTING TO A LOAN RAISED ON BEHALF OF THE GERMAN EMPEROR OR CONTRACTING WITH THE GERMAN GOVERNMENT, WILL BE GUILTY OF HIGH TREASON AS ADHERING TO THE KING'S ENEMIES.  
(a) (b)

1914. No. 1253.

BY THE KING.

A Proclamation notifying that British Subjects contributing to a Loan raised on behalf of the German Emperor or contracting with the German Government, will be guilty of High Treason as adhering to the King's Enemies.

*George R.I.*

Whereas a state of war exists between Us and the German Emperor<sup>(c)</sup> :

And whereas it constitutes adherence to Our enemies for any of Our subjects or persons resident or being in Our Dominions during the continuance of the state of war to contribute to or participate in or assist in the floating of any loan raised on behalf of the said Emperor, or to advance money to or enter into any contract or dealings whatsoever with the said Emperor or his Government (save upon Our Command), or otherwise to aid, abet, or assist the said Emperor or Government :

Now, therefore, We do hereby warn all Our subjects and all persons resident or being in Our Dominions who may be found doing or attempting any of such treasonable acts as aforesaid that they will be liable to be apprehended and dealt with as traitors and will be proceeded against with the utmost rigour of the law.

Given at Our Court at Buckingham Palace, this Fifth day of August, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God save the King.

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(a) This Proclamation is by Proclamation of August 12th, 1914 (printed at p. 97 of the Manual of Emergency Legislation, under the heading "AUSTRIA-HUNGARY"), and by Proclamation of November 5th, 1914 (printed at p. 188 of Supplement No. 2 to the Manual), applied to all loans raised on behalf of, or contracts or dealings entered into with, or to aiding, abetting or assisting the Austro-Hungarian Government as from August 12th, 1914, and the Ottoman Government as from November 5th, 1914.

(b) This Proclamation was published in the "London Gazette" of August 5th, 1914, being the 2nd Supplement to the Gazette of August 4th; in the "Edinburgh Gazette" of August 7th, 1914; and in the "Dublin Gazette" of August 6th, 1914, being the 3rd Supplement to the Gazette of August 4th.

(c) See Notification of a State of War with Germany printed at p. 1 of the Manual of Emergency Legislation.



**III. MORATORIUM.(a)**

(1) PROCLAMATION, DATED AUGUST 2, 1914, POSTPONING THE  
PAYMENT OF CERTAIN BILLS OF EXCHANGE.(b) (c)

THE BILLS (RE-ACCEPTANCE) PROCLAMATION.(d)

1914. No. 1164.

BY THE KING.

A Proclamation for Postponing the Payment of certain  
Bills of Exchange.

*George R.I.*

Whereas in view of the critical situation in Europe and the financial difficulties caused thereby it is expedient that the payment of certain bills of exchange should be postponed as appears in this Proclamation :

(a) See also the documents printed under the sub-heading "DISCOUNT OF, AND ADVANCES TO ACCEPTORS OF, BILLS OF EXCHANGE," at pp. 32-38 below. Postponement of certain payments was also effected by the appointment by Proclamations (printed at pp. 99-101 of the Manual of Emergency Legislation) of Tuesday, Wednesday and Thursday, August 4th, 5th and 6th, as three successive special bank holidays. County Court Rules made September 10th, 1914, and having effect during the currency of any Proclamation under the Postponement of Payments Act, are printed at p. 112 of the Manual of Emergency Legislation, under the heading "COUNTY COURT RULES AND FEES," and the Orders and Rules relating to the procedure of Courts in England, under the Courts Emergency Powers Act, are printed at pp. 114-120, 124, of the Manual of Emergency Legislation, pp. 61-75 of Supplement No. 2 to the Manual, and pp. 309-317 of Supplement No. 3 to the Manual, under the heading "COURTS (EMERGENCY POWERS)," and the Stock Exchange Notices and Resolutions of August 7th, 11th and 12th, of September 4th and of October 2nd, printed under the heading "DEALINGS IN STOCKS AND SHARES" at pp. 163, 164, 166 and 167 below.

(b) This Proclamation which was specifically confirmed by s. 1 (4) of the Postponement of Payments Act, 1914 (4 & 5 Geo. 5, c. 11) printed at p. 19 below, was extended by Proclamation of August 6th, printed at pp. 20-22 below, and by Proclamation of August 12th, printed at p. 23 below, and varied by Proclamation of September 3rd, printed at p. 24 below, and by Proclamation of September 30th, printed at pp. 26-28 below.

The Proclamation of August 2nd was also varied by Proclamation of September 1st (printed at p. 242 of the Manual of the Emergency Legislation), but this last named Proclamation was revoked by the Proclamation of September 3rd.

(c) This Proclamation was published in the "London Gazette" of August 2nd, 1914, being the 2nd Supplement to the Gazette of July 31st; in the "Edinburgh Gazette" of August, 4th, 1914; and in the "Dublin Gazette" of August 3rd, 1914, being the 2nd Supplement to the Gazette of July 31st.

(d) This Proclamation is thus referred to in the Proclamation of September 30th, printed at pp. 26-28 below.

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, and We do hereby proclaim, direct, and ordain as follows:—

If on the presentation for payment of a bill of exchange, other than a cheque or bill on demand, which has been accepted before the beginning of the fourth day of August nineteen hundred and fourteen the acceptor re-accepts the bill by a declaration on the face of the bill in the form set out hereunder, that bill shall, for all purposes, including the liability of any drawer or indorser or any other party thereto, be deemed to be due and be payable on a date one calendar month after the date of its original maturity instead of on the date of its original maturity, and to be a bill for the original amount thereof increased by the amount of interest thereon calculated from the date of re-acceptance to the new date of payment at the Bank of England rate current on the date of the re-acceptance of the bill.

*Form of Re-acceptance.*

Re-accepted under Proclamation for £ (insert  
increased sum).

Signature\_\_\_\_\_

Date\_\_\_\_\_

Given at Our Court at Buckingham Palace, this Second day of August, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God save the King.

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(2) THE POSTPONEMENT OF PAYMENTS ACT, 1914 (4 & 5  
GEO. 5. C. 11).

An Act to authorise His Majesty by Proclamation to suspend temporarily the payment of Bills of Exchange and payments in pursuance of other obligations.(a)

[3rd August 1914.]

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) His Majesty may by Proclamation authorise the postponement of the payment of any bill of exchange, or of any negotiable instrument, or any other payment in pursuance of any contract, to such extent, for such time, and subject to such

Power to  
postpone  
payments by  
Royal Pro-  
clamation.

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(a) By Order in Council of September 3rd, 1914, printed at p. 190 of the Manual of Emergency Legislation, this Act was extended with adaptations to the Isle of Man.

*The First General Postponement of Payments Proclamation.*

conditions or other provisions as may be specified in the Proclamation.(a)

(2) No additional stamp duty shall be payable in respect of any instrument as a consequence of any postponement of payment in pursuance of a proclamation under this Act unless the proclamation otherwise directs.

(3) Any such proclamation may be varied, extended, or revoked by any subsequent proclamation, and separate proclamations may be made dealing with separate subjects.

(4) The proclamation dated the third day of August, nineteen hundred and fourteen, relating to the postponement of payment of certain bills of exchange(b) is hereby confirmed and shall be deemed to have been made under this Act.

Short title  
and dura-  
tion.

**2.—(1)** This Act may be cited as the Postponement of Payments Act, 1914.

(2) This Act shall remain in force for a period of six months from the date of the passing thereof.

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(3) PROCLAMATION, DATED AUGUST 6, 1914, UNDER THE POSTPONE-  
MENT OF PAYMENTS ACT, 1914 (4 & 5 GEO. 5, C. 11), EXTEND-  
ING THE PROCLAMATION OF AUGUST 2, 1914.(c) (d)

THE FIRST GENERAL PROCLAMATION.(e)

1914. No. 1165.

BY THE KING.

A Proclamation for extending the Postponement of Payments allowed to be made by the Proclamation of the 2nd August, 1914,(f) to certain other Payments.

*George R.I.*

Whereas under the Postponement of Payments Act, 1914, His Majesty has power by Proclamation to authorize the postpone-

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(a) See the Proclamations of August 6th and 12th, and of September 3rd and 30th, printed at pp. 20–28 below.

(b) The word “third” is a clerical error for the word “second,” and the Act is to be read as if “second” instead of “third” occurred in the sub-section. See *Rex v. Wilcock* (1845) 7 Q.B. 317; *In re Boothroyd* (1846) 15 M. & W. 1. The Proclamation dated August 2nd, 1914, is printed at p. 18 above.

(c) This Proclamation was extended by Proclamation of August 12th, printed at p. 23 below, and varied by Proclamation of September 3rd, printed at p. 24 below, and by Proclamation of September 30th, printed at pp. 26–28 below.

The Proclamation of August 6th was also varied by Proclamation of September 1st (printed at p. 242 of the Manual of Emergency Legislation), but this last Proclamation was revoked by the Proclamation of September 3rd.

(d) This Proclamation was published in the “London Gazette” of August 6th, 1914, being the 3rd Supplement to the Gazette of August 4th; in the “Edinburgh Gazette” of August 8th, 1914, being the 1st Supplement to the Gazette of August 7th; and in the “Dublin Gazette” of August 8th, 1914, being the 1st Supplement to the Gazette of August 7th.

(e) This Proclamation is thus referred to in the Proclamation of September 30th, printed at pp. 26–28 below.

(f) Printed at p. 18 above.

ment of the payment of any bill of exchange or of any negotiable instrument or of any other payment in pursuance of any contract to such extent for such time and subject to such conditions or other provisions as may be specified in the Proclamation :

And whereas it is expedient that provision should be made for the purpose of such postponement of payment in addition to the provision already made by Our Proclamation, dated the second day of August, nineteen hundred and fourteen, <sup>(a)</sup> relating to the postponement of payment of certain bills of exchange :

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, and We do hereby proclaim, direct, and ordain as follows :—

Save as hereinafter provided, all payments which have become due and payable before the date of this Proclamation or which will become due and payable on any day before the beginning of the fourth day of September nineteen hundred and fourteen in respect of any bill of exchange (being a cheque or bill on demand) which was drawn before the beginning of the fourth day of August, nineteen hundred and fourteen, or in respect of any negotiable instrument (not being a bill of exchange) dated before that time, or in respect of any contract made before that time, shall be deemed to be due and payable on a day one calendar month after the day on which the payment originally became due and payable, or on the fourth day of September, nineteen hundred and fourteen, whichever is the later date, instead of on the day on which the payment originally became due ; but payments so postponed shall, if not otherwise carrying interest, and if specific demand is made for payment and payment is refused, carry interest until payment as from the fourth day of August, nineteen hundred and fourteen, if they become due and payable before that day, and as from the date on which they become due and payable if they become due and payable on or after that day, at the Bank of England rate current on the seventh day of August, nineteen hundred and fourteen ; but nothing in this Proclamation shall prevent payments being made before the expiration of the month for which they are so postponed.

This Proclamation shall not apply to—

- (1) Any payment in respect of wages or salary.
- (2) Any payment in respect of a liability which when incurred did not exceed five pounds in amount.
- (3) Any payment in respect of rates or taxes.
- (4) Any payment in respect of maritime freight.
- (5) Any payment in respect of any debt from any person resident outside the British Islands, or from any firm,

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(a) Printed at p. 18 above.

*The First General Postponement of Payments Proclamation.*

company or institution whose principal place of business is outside the British Islands, not being a debt incurred in the British Islands by a person, firm, company, or institution, having a business establishment or branch business establishment in the British Islands.

- (6) Any payment in respect of any dividend or interest payable in respect of any stocks, funds, or securities (other than real or heritable securities) in which trustees are, under section one of the Trustee Act, 1893,<sup>(a)</sup> or any other Act for the time being in force, authorized to invest.
- (7) Any liability of a bank of issue in respect of bank notes issued by that bank.
- (8) Any payment to be made by or on behalf of His Majesty or any Government Department, including the payment of old age pensions.
- (9) Any payment to be made by any person or society in pursuance of the National Insurance Act, 1911,<sup>(b)</sup> or any Act amending that Act (whether in the nature of contributions, benefits, or otherwise).
- (10) Any payment under the Workmen's Compensation Act, 1906,<sup>(c)</sup> or any Act amending the same.
- (11) Any payment in respect of the withdrawal of a deposit by a depositor in a trustee savings bank.

Nothing in this Proclamation shall affect any bills of exchange to which Our Proclamation dated the second day of August, nineteen hundred and fourteen, relating to the postponement of payment of certain bills of exchange applies.

Given at Our Court at Buckingham Palace, this sixth day of August, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God Save the King.

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(a) 56 & 57 Vict. c. 53.

(b) 1 & 2 Geo. 5. c. 55.

(c) 6 Edw. 7. c. 58.

- (4) PROCLAMATION, DATED AUGUST 12, 1914, UNDER THE POSTPONEMENT OF PAYMENTS ACT, 1914 (4 & 5 GEO. 5, C. 11), EXTENDING THE PROCLAMATION OF AUGUST 6, 1914.  
(a) (b)

THE SECOND GENERAL PROCLAMATION. (c)

1914. No. 1230.

BY THE KING.

A Proclamation for Postponement of Payments.

*George, R.I.*

Whereas it is expedient to extend Our Proclamation, dated the sixth day of August, (d) nineteen hundred and fourteen (relating to the postponement of payments), so as to cover bills of exchange under certain circumstances, and also payments in respect of any debt from any bank whose principal place of business is in any part of His Majesty's Dominions or any British Protectorate :

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, and We do hereby proclaim, direct, and ordain as follows :

Notwithstanding anything contained in the said Proclamation—dated the sixth day of August, nineteen hundred and fourteen (relating to the postponement of payments), that Proclamation shall apply, and shall be deemed always to have applied—

- (a) To any bill of exchange which has not been re-accepted under Our Proclamation, dated the second day of August, (a) nineteen hundred and fourteen, as it applies to a bill of exchange, being a cheque or bill on demand, unless on the presentation of the bill the acceptor has expressly refused re-acceptance thereof, but with the substitution, as respects rate of interest, of the date of the presentation of the bill for the seventh day of August, nineteen hundred and fourteen ; and  
(b) also to payments in respect of any debt from any bank whose principal place of business is in any part of His Majesty's Dominions or any British Protectorate, although the debt was not incurred in the British Islands and the bank had not a business establishment or branch business establishment in the British Islands.

Given at Our Court at Buckingham Palace, this Twelfth day of August, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God Save the King.

(a) This Proclamation was varied by Proclamation of September 3rd, printed at p. 24 below, and by Proclamation of September 30th, printed at pp. 26-28 below.

The Proclamation of August 12th was also varied by Proclamation of September 1st (printed at p. 242 of the Manual of Emergency Legislation), but this last Proclamation was revoked by the Proclamation of September 3rd.

(b) This Proclamation was published in the "London Gazette" of August 13th, 1914, being the 1st Supplement to the Gazette of August 11th ; in the "Edinburgh Gazette" of August 14th, 1914 ; and in the "Dublin Gazette" of August 14th, 1914.

(c) This Proclamation is thus referred to in the Proclamation of September 30th, printed at pp. 26-28 below.

(d) Printed at pp. 20-22 above.

*The Third General Postponement of Payments Proclamation.*

- (5) PROCLAMATION, DATED SEPTEMBER 3, 1914, UNDER THE POSTPONEMENT OF PAYMENTS ACT, 1914 (4 & 5 GEO. 5, c. 11), VARYING THE PROCLAMATIONS OF AUGUST 2ND, 6TH, AND 12TH, AND REVOKING PROCLAMATION OF SEPTEMBER 1ST, 1914.(a) (b)

THE THIRD GENERAL PROCLAMATION.(c)

1914. No. 1324.

BY THE KING.

- A Proclamation varying the Proclamations in respect of the Postponement of Payments, dated respectively the second day of August,(d) the sixth day of August,(e) and the twelfth day of August,(f) and revoking the Proclamation, dated the first day of September,(g) nineteen hundred and fourteen.

*George R.I.*

Whereas under the Postponement of Payments Act, 1914,(h) We have power, by Proclamation, to authorize the postponement of the payment of any bill of exchange, or of any negotiable instrument, or any other payment in pursuance of any contract, to such extent, and for such time, and subject to such conditions or other provisions as may be specified in the Proclamation :

And whereas, in pursuance of that power, We have issued Proclamations in relation to the postponement of payments due before We were in a state of war or due in respect of contracts made before that time, dated the sixth day of August,(e) and the twelfth day of August,(f) nineteen hundred and fourteen ; and on the second day of August, nineteen hundred and fourteen, We also issued a Proclamation(d) which is confirmed by the said Postponement of Payments Act, 1914,(h) and is deemed to have been issued under that Act :

And whereas, under the said Act, We have power to vary, extend or revoke any Proclamation under that Act by a subsequent Proclamation :

And whereas it is desirable in the best interests of Our Realm at the present juncture that all persons who can discharge their

(a) As to this Proclamation which was varied by Proclamation of September 30th, printed at pp. 26-28 below, see statement appearing in the Press, September 5th and printed at p. 35 below.

(b) This Proclamation was published in the "London Gazette" of September 3rd, 1914, being the 5th Supplement to the Gazette of September 1st ; in the "Edinburgh Gazette" of September 4th, 1914 ; and in the "Dublin Gazette" of September 5th, 1914, being a Supplement to the Gazette of September 4th.

(c) This Proclamation is thus referred to in the Proclamation of September 30th, printed at pp. 26-28 below.

(d) Printed at p. 18 above.

(f) Printed at p. 23 above.

(h) Printed at p. 19 above.

(e) Printed at pp. 20-22 above.

(g) Printed at p. 242 of the Manual of Emergency Legislation.

liabilities should do so without delay, but it is at the same time for certain purposes expedient that Our said Proclamations should be varied, and for that purpose We issued a Proclamation, dated the 1st day of September, nineteen hundred and fourteen : (a)

And whereas it is expedient to revoke the last-mentioned Proclamation and to substitute therefor such variations of Our other Proclamations as are hereinafter set forth :

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, and We do hereby proclaim, direct, and ordain as follows :—

1. If on the presentation for payment of a bill of exchange which has before the fourth day of September, nineteen hundred and fourteen, been re-accepted under the terms of Our said Proclamation, dated the second day of August, nineteen hundred and fourteen, the bill is not paid, then, the said Proclamation shall, in its application to that bill, have effect as if the period of two calendar months had been in the Proclamation substituted for the period of one calendar month, and the sum mentioned in the form of re-acceptance under the said Proclamation shall be deemed to be increased by the amount of interest on the original amount of the Bill for one calendar month calculated at the Bank of England rate current on the date when the bill is so presented for payment as aforesaid.

2. Our said Proclamation, dated the sixth day of August, nineteen hundred and fourteen, as extended by Our said Proclamation, dated the twelfth day of August, nineteen hundred and fourteen, shall apply to payments which become due and payable on or after the fourth day of September and before the fourth day of October, nineteen hundred and fourteen (whether they become so due and payable by virtue of the said Proclamations or otherwise) in like manner as it applies to payments which became due and payable after the date of the said first-mentioned Proclamation and before the beginning of the fourth day of September, nineteen hundred and fourteen.

3. Nothing in this Proclamation shall affect the payment of interest under the Proclamations extended thereby, or prevent payments being made before the expiration of the period for which they are postponed.

4. Our said Proclamation, dated the first day of September, nineteen hundred and fourteen, is hereby revoked.(a)

Given at Our Court at Buckingham Palace, this Third day of September, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God save the King.

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(a) This revoked Proclamation is printed at p. 242 of the Manual of Emergency Legislation.



*The Final General Postponement of Payments Proclamation.*

- (6) PROCLAMATION, DATED SEPTEMBER 30, 1914, UNDER THE POSTPONEMENT OF PAYMENTS ACT, 1914 (4 & 5 GEO. 5, c. 11), VARYING THE PROCLAMATIONS OF AUGUST 2ND, 6TH, AND 12TH AND SEPTEMBER 3RD, 1914.(a)

1914. No. 1446.

BY THE KING.

A Proclamation varying the Proclamations in respect of the Postponement of Payments, dated respectively the 2nd August,(b) 6th August,(c) 12th August,(d) and 3rd September,(e) 1914.

*George R.I.*

Whereas under the Postponement of Payments Act, 1914,(f) We have power by Proclamation to authorise the postponement of the payment of any bill of exchange or of any negotiable instrument or any other payment in pursuance of any contract to such extent and for such time and subject to such conditions or other provisions as may be specified in the Proclamation :

And whereas in pursuance of that power We have issued Proclamations in relation to the postponement of payments due before We were in a state of war or due in respect of contracts made before that time, dated the sixth day of August,(c) the 12th day of August,(d) and the third day of September(e) nineteen hundred and fourteen (which are respectively referred to in this Proclamation as the first, second, and third General Proclamation), and on the second day of August nineteen hundred and fourteen We also issued a Proclamation which is confirmed by the said Postponement of Payments Acts, 1914, and is deemed to have been issued under that Act and is referred to in this Proclamation as the Bills (Re-acceptance) Proclamation : (b)

And whereas under the Postponement of Payments Act, 1914, We have power to vary extend or revoke any Proclamation under that Act by a subsequent Proclamation :

And whereas it is desirable in the best interests of Our Realm at the present juncture that all persons who can discharge their liabilities should do so without delay, but it is at the same time expedient for the benefit of persons who cannot so discharge their liabilities that a further limited and final extension of the postponement of payments authorised by the said Proclamations should be made :

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(a) This Proclamation was published in the "London Gazette" of September 30th, 1914, being a Supplement to the Gazette of September 29th ; in the "Edinburgh Gazette" of September 30th, 1914, being a Supplement to the Gazette of September 29th ; and in the "Dublin Gazette" of September 30th, 1914, being a Supplement to the Gazette of September 29th. *See also* Notice issued by the Bank of England on the night of October 1st, and appearing in the next day's Press, printed at p. 38 below.

(b) Printed at p. 18 above.

(c) Printed at pp. 20-22 above.

(d) Printed at p. 23 above.

(e) Printed at p. 24 above.

(f) Printed at p. 19 above.

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, and We do hereby proclaim direct and ordain as follows:—

1. The first General Proclamation as extended by paragraph (b) of the second General Proclamation shall, subject to the limitations of this Proclamation, apply to payments which become due and payable on or after the fourth day of October and before the fourth day of November nineteen hundred and fourteen (whether they so become due and payable by virtue of the said Proclamations or the third General Proclamation or otherwise) in like manner as it applies to payments which became due and payable after the date of the first General Proclamation and before the beginning of the fourth day of September nineteen hundred and fourteen

Provided that, if the payment is one the date whereof has been postponed by virtue of any of the said General Proclamations, and is one which carries interest either by virtue of the terms of the contract or instrument under which it is due and payable or by virtue of the said General Proclamations, then the person from whom the payment is due shall not be entitled to claim the benefit of this Article unless, within three days after the date to which the payment has been postponed by virtue of the said General Proclamations, all interest thereon up to that date is paid.

This Article shall not apply to—

- (a.) Any payment in respect of rent;
- (b.) Any payment due and payable to or by a retail trader in respect of his business as such trader.

2. The Bills (Re-acceptance) Proclamation shall continue to apply to bills of exchange (other than cheques and bills on demand) accepted before the beginning of the fourth day of August nineteen hundred and fourteen, the date of the original maturity whereof is after the third day of October.

If on the presentation for payment of any such bill the bill is not paid and is not re-accepted under the said Proclamation, then, unless on such presentation the acceptor has expressly refused re-acceptance thereof, the bill shall for all purposes, including the liability of any drawer and indorser or any other party thereto, be deemed to be due and payable on a date one calendar month after the date of its original maturity instead of on the date of its original maturity, and to be a bill for the original amount thereof increased by the amount of interest thereon, calculated from the date of the original maturity to the date of payment at the Bank of England rate current on the date of its original maturity, and paragraph (a) of the second General Proclamation shall not apply to any such bill.

3. If on the presentation for payment of a bill of exchange, the date of maturity of which has before the fourth day of October nineteen hundred and fourteen become postponed either by virtue of the Bills (Re-acceptance) Proclamation or paragraph

(a) of the second General Proclamation (whether or not the date of maturity has been further postponed by virtue of the third General Proclamation), the bill is not paid, then the date of maturity shall be deemed to be further postponed for fourteen days from the date of such presentation for payment, and the original amount of the bill shall be deemed to be further increased by the amount of interest on the original amount of the bill for fourteen days, calculated at the Bank of England rate current on the date of such presentation for payment.

4. Save as otherwise expressly provided, nothing in this Proclamation shall effect the application of the General Proclamations to payments to which those Proclamations apply, and nothing in this Proclamation shall prevent payments to which this Proclamation applies being made before the expiration of the period for which they are postponed thereunder.

Given at Our Court at Buckingham Palace, this Thirtieth day of September, in the year of Our Lord one Thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God save the King.

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## IV.—BILLS OF EXCHANGE PAYABLE ABROAD.<sup>(a)</sup>

THE BILLS OF EXCHANGE ACT, 1914 (4 & 5 GEO. 5, c. 82).

An Act to make provision in connection with the present war with respect to Bills of Exchange payable outside the British Islands. [18th September 1914.]

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. Without prejudice to the operation of subsection (1) of section forty-six of the Bills of Exchange Act, 1882, delay in the presentment for payment of a bill of exchange, where the proper place for payment is outside the British Islands, is excused if the delay is, or has been, due either directly or indirectly to circumstances arising out of the present war, or to the impracticability, owing to similar circumstances, of transmitting the bill to the place of payment with reasonable safety.

Delay in presentment of a bill for payment due to war.  
45 & 46 Vict. c. 61.

2. Where, in any action or proceeding upon a bill of exchange payable outside the British Islands, it is shown to the court that the bill has been lost and that the loss can reasonably be presumed to be due to circumstances attributable directly or indirectly to the present war, the court may allow proof of the bill to be given by means of a copy thereof certified by a notary public, or by means of such other evidence as the court think reasonable under the circumstances: Provided that such indemnity be given against the claims of other persons as the court may require.

Provision as to bills of exchange lost owing to war.

3. His Majesty may, by Order in Council, at any time determine the operation of this Act, or provide that this Act shall have effect subject to such limitations as may be contained in the Order;<sup>(b)</sup> but, subject to the operation of any such Order in Council, this Act shall have effect during the continuance of the present war and for a period of six months thereafter.

Duration.

4. This Act may be cited as the Bills of Exchange Act, 1914.

Short title.

<sup>(a)</sup> Documents relating to "GOVERNMENT ASSISTANCE TO CREDIT OR BUSINESS" are printed under that heading at pp. 30-123 below.

<sup>(b)</sup> No Order in Council has (June 4th, 1915) been made under this power.

## V.—GOVERNMENT ASSISTANCE TO CREDIT AND BUSINESS.

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|---|--|
| <ol style="list-style-type: none"> <li>1. <i>Government War Obligations Act</i>, p. 30.</li> <li>2. <i>Discount of and Advances to Acceptors of Bills of Exchange</i>, p. 32.</li> <li>3. <i>Advances in connection with Stock Exchange Loans</i>, p. 38.</li> <li>4. <i>Advances to British Export Traders in respect of Debts Abroad</i>, p. 48.</li> </ol> | <ol style="list-style-type: none"> <li>5. <i>Advances in connection with the Liverpool Cotton Exchange</i>, p. 55.</li> <li>6. <i>Payments on Contracts of Insurance or Re-insurance against War Risks of Ships or Cargo, or for Relief of Dependants of Persons on Insured Ships</i>, p. 56.</li> </ol> |
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### 1. Government War Obligations Act.

THE GOVERNMENT WAR OBLIGATIONS ACT, 1914 (5 GEO. 5, C. 11).

An Act to make provision with respect to obligations incurred by or on behalf of His Majesty's Government for the purposes of the present war or in connection therewith and for other purposes in relation thereto. [27th November, 1914.]

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Provision of money to fulfil Government war obligations.

**1.** There shall be paid out of moneys provided by Parliament or, if those moneys are insufficient, there shall be charged on and paid out of the Consolidated Fund, or the growing produce thereof, such sums as may be required for the purpose of giving effect to any such obligations incurred by or on behalf of His Majesty's Government before the passing of this Act as are set out in the Schedule to this Act (in this Act referred to as Government war obligations).

Exemption from stamp duty and registration of documents carrying out Government war obligations.

**2.**—(1) No contract of re-insurance for the purpose of carrying out any Government war obligation to which the Government, or any person on behalf of the Government, are a party, shall be liable to stamp duty, and no contract of insurance, re-insurance, or other document for the purpose of carrying out any such obligation shall be void by reason only that it is not stamped or expressed in a policy of sea insurance, or is made for a term exceeding twelve months.

8 Edw. 7. c. 69.  
3 & 4 Geo. 5. c. 34.

(2) No provisions of the Companies (Consolidation) Act, 1908, or the Bankruptcy and Deeds of Arrangement Act, 1913, (a) or any other Act as to registration of charges shall apply to any charges

(a) This Act was in part repealed as from January 1st, 1915, by the Deeds of Arrangement Act, 1914 (4 & 5 Geo. 5. c. 47), and the Bankruptcy Act, 1914 (4 & 5 Geo. 5. c. 59).

given for the purpose of obtaining any loan guaranteed by or on behalf of the Government in pursuance of any war obligation; and no notice of any such charge need be registered or notified.

**3.** Any policies of insurance or re-insurance granted, or any contract made, or other action taken, by any association or body of persons approved by the Board of Trade for the purpose of carrying out any Government scheme in connection with the present war of insurance of ships or cargo against risk of the King's enemies or for the relief of dependents of persons on insured ships shall, if and so far as the Board of Trade so direct, be deemed to be valid, notwithstanding that the granting of the policy, or the making of the contract, or the taking of the action was beyond the powers of the association or body of persons.

Powers of associations with respect to insurance of ships or cargo against war risks.

**4.** This Act may be cited as the Government War Obligations Act, 1914.

Short title.

## SCHEDULE.

### GOVERNMENT WAR OBLIGATIONS.

#### Section 1.

Obligations incurred in connection with the present war in respect of—

1. Guarantees given to the Bank of England in connection with—
  - (a) The discount of bills of exchange(a);
  - (b) Advances to acceptors of bills of exchange(a);
  - (c) Advances in connection with loans made to members of the Stock Exchange(b);
2. Guarantees given in connection with bills of exchange drawn by traders having debts due from abroad which are not immediately recoverable, and in connection with advances to traders to enable them to meet liabilities under contracts entered into before the outbreak of war(c);
3. Payments on contracts of insurance or re-insurance against war risks of ships or cargo or for the relief of dependants of persons on insured ships so far as provision is not made for those payments by the application of premiums or otherwise(d);
4. Any loan raised by any of the powers allied in the present war or by the Government of Egypt or by the Government of any of His Majesty's Dominions or any British Possession or Protectorate;
5. The maintenance or assistance, in connection with the present war, of food supply, trade, industry, business, or communications in the United Kingdom or in any other country, or the relief of distress in the United Kingdom or in any other country.

(a) See the documents printed under sub-heading 2 "DISCOUNT OF AND ADVANCES TO ACCEPTORS OF BILLS OF EXCHANGE" at pp. 32-38 below.

(b) See the documents printed under sub-heading 3 "ADVANCES IN CONNECTION WITH STOCK EXCHANGE LOANS" at pp. 38-48 below.

(c) See the documents printed under sub-heading 4 "ADVANCES TO BRITISH EXPORT TRADERS IN RESPECT OF DEBTS ABROAD" at pp. 48-55 below, and under sub-heading 5 "ADVANCES IN CONNECTION WITH THE LIVERPOOL COTTON EXCHANGE" at pp. 55, 56 below."

(d) See the documents printed under sub-heading 6 "PAYMENTS ON CONTRACTS OF INSURANCE OR RE-INSURANCE AGAINST WAR RISKS OF SHIPS OR CARGO OR FOR RELIEF OF DEPENDANTS OF PERSONS ON INSURED SHIPS," printed at pp. 56-123 below.

## 2. Discount of, and Advances to Acceptors of, Bills of Exchange.(a)

(1) LETTER FROM THE CHANCELLOR OF THE EXCHEQUER TO THE BANK OF ENGLAND DATED AUGUST 12, 1914.

Gentlemen,  
Treasury Chambers,  
12th August, 1914.

I have the honour to transmit to you herewith a copy of a notice which His Majesty's Government are causing to be published to-morrow, explaining the nature of the arrangement reached after consultation with you to-day for providing Government assistance for the discounting of bills of exchange covered by the Proclamation of the 2nd August, 1914.(b) in regard to postponement of payments.

I have the honour to convey to you the authority of His Majesty's Government to take action on their behalf in accordance with the scheme and an assurance that they will in due course ask Parliament to give statutory authority for the arrangements adopted, and for the charge against the Exchequer of any loss which may be incurred by the Bank as the result of their operations in the matter.(c)

I have the honour to be,  
Gentlemen,  
Your obedient Servant,  
(Signed) *D. Lloyd George.*

The Governor and Deputy Governor,  
Bank of England.

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Enclosure to (1).

The Chancellor of the Exchequer has for several days-past been in close and constant consultation with the Governor of the Bank of England, the bankers, the accepting houses and the principal traders for the purpose of providing the country with all the banking facilities it needs in the present emergency. We are now able to announce that the Chancellor of the Exchequer has completed arrangements with the Bank of England for terminating the present deadlock in the money market and for enabling the trade and commerce of the country to resume its normal course. The greatest difficulty arose from the stoppage of remittances to London both from the provinces and from other countries not only in Europe but in all parts of the world. This

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(a) See also the Proclamations as to Postponement of Payments printed at pp. 18-28 above. Postponement of certain payments was also effected by the appointment by Proclamations (printed at pp. 99-101 of the Manual of Emergency Legislation, under the heading "BANK HOLIDAYS") of three successive bank holidays.

(b) Printed at p. 18 above.

(c) See Government War Obligations Act, 1914 (s. 1, sch. par. 1), printed at pp. 30, 31 above.

caused a breakdown in the foreign exchanges and deterred bankers from discounting bills in the normal way. To overcome this difficulty as well as that of providing traders in this country with all the banking facilities they need, the Government have now agreed to guarantee the Bank of England from any loss it may incur in discounting bills of exchange either home or foreign, bank or trade, accepted prior to August 4th, 1914. Accordingly we are authorised to make the following announcement:—

“The Bank of England are prepared on the application of the holder of any approved bill of exchange accepted before the 4th day of August, 1914, to discount at any time before its due date at Bank rate without recourse to such holder, and upon its maturity the Bank of England will in order to assist the resumption of normal business operations give the acceptor the opportunity until further notice of postponing payment, interest being payable in the meantime at 2 per cent. over Bank rate varying. Arrangements will be made to carry this scheme into effect so as to preserve all existing obligations.

“The Bank of England will be prepared for this purpose to approve such bills of exchange as are customarily discounted by them and also good trade bills and the acceptances of such foreign and colonial firms and bank agencies as are established in Great Britain.”

Treasury Chambers, S.W.,  
12th August, 1914.

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(2) LETTER FROM TREASURY TO BANK OF ENGLAND DATED  
AUGUST 27, 1914.

Gentlemen,

Treasury Chambers,  
27th August, 1914.

With reference to the letter addressed to the Governors of the Bank by the Chancellor of the Exchequer on the 12th instant on the subject of the discounting by the Bank of England of Bills of Exchange accepted prior to August 4th, I am directed by the Lords Commissioners of His Majesty's Treasury now to place on formal record the arrangement announced in the Press Notice accompanying the letter referred to, as follows:—

1. The Bank of England will, upon the application of the holder of any approved bill of exchange accepted before the 4th August, 1914, discount such bill at any time before its due date at Bank rate without recourse to such holder.

(In the case of date bills the acceptance, if undated, may be deemed to have been given in course of post from the date on which the bills were drawn.)

2. It will be for the Bank of England to decide in any particular case whether a bill is to be approved, but the Bank will be prepared to approve such bills of exchange as are customarily discounted by them and also good trade bills and the acceptances of such foreign and colonial firms and bank agencies as are established in Great Britain.



3. Upon the maturity of any bill so discounted the Bank of England will give the acceptor the opportunity of postponing payment pending further notice, interest being payable in the meantime at 2 per cent. over Bank rate varying.

4. The date at which such further notice shall be given shall be determined by the Bank after consultation with the Treasury.

5. Arrangements will be made for preserving all existing obligations, so far as possible, in respect of bills discounted.

6. The Bank of England are to be indemnified for any action taken by them in the matter, and to be guaranteed by the Treasury against any loss which may be incurred by the Bank as the result of their operations.

7. Such loss is to be calculated in accordance with an account to be kept in the following form:—

£	£
Amount of approved bills discounted at Bank rate, payment of which has been postponed ... ..	Amount realised by the Bank in respect of approved bills, pay- ment of which has been postponed ...
Net deficiency ... ..	Interest received at 2 per cent. (above Bank rate varying) in re- spect of approved bills, payment of which has been post- poned, less allowance to the Bank for interest (at 1 per cent. below Bank rate varying) and ex- penses ( $\frac{1}{2}$ per cent.)...
£	£

8. The Chancellor of the Exchequer has undertaken to ask Parliament to pass the legislation necessary for giving statutory authority for this scheme, and for charging against the Exchequer the amount of the ultimate loss which may be incurred by the Bank in carrying it into effect.<sup>(a)</sup>

I am to request that my Lords may be informed whether you concur in the statement of the arrangement as set out in this letter.

I am, Gentlemen,  
Your obedient Servant,  
(Signed) *John Bradbury.*

The Governor and Deputy Governor,  
Bank of England.

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(a) See Government War Obligations Act, 1914 (s. 1, sch. par. 1) printed at pp. 30, 31 above.

(3) LETTER FROM BANK OF ENGLAND TO TREASURY, DATED  
AUGUST 27, 1914.

Bank of England, London, E.C.,  
27th August, 1914.

Gentlemen,

I am directed by the Governors to acknowledge the receipt of Sir John Bradbury's letter of this day's date, setting forth in detail the conditions under which it is desired that the Bank should accept for discount, without recourse to the holders, approved Bills of Exchange accepted prior to the 4th August, in terms of the announcement published on the 13th inst. by His Majesty's Government.

In reply, I am to say that the Bank are prepared to accept for discount such bills as are defined under head (2) on the terms set forth under head (7) and subject to the guarantee by the Treasury against any loss which the Bank may incur as the result of their operations, as expressed under head (6) of the letter under reply.

I am, Gentlemen,

Your obedient Servant,

(Signed) *J. G. Nairne,*

Chief Cashier.

The Joint Secretaries to the Treasury,  
Treasury Chambers, S.W.

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(4) STATEMENT APPEARING IN THE PRESS, SATURDAY,  
SEPTEMBER 5TH, 1914.

The breakdown of the foreign exchanges has caused, and is still causing, very great inconvenience to traders throughout the country, and strong representations have been made to the Chancellor of the Exchequer upon the subject. It has been pointed out to him that the dislocation of exchange is exercising an extremely prejudicial influence upon trade generally, and especially upon the foreign trade of the country, and that in the absence of the usual exchange facilities, goods can neither be imported nor exported in any appreciable quantity. To ascertain the causes and to find a remedy for the difficulties in obtaining international exchange the Chancellor of the Exchequer consulted a large number of leading traders, members of accepting houses, and bankers. After a series of conferences at the Treasury the Chancellor of the Exchequer now wishes to announce that an arrangement has been arrived at which is designed to remove the difficulties.

*Principal Features of the Scheme.*

The main features of the arrangement may be summarized as follows:—

(1) The Bank of England will provide where required acceptors with the funds necessary to pay all approved pre-moratorium bills at maturity. This course will release the drawers and indorsers of such bills from their liabilities as parties to these bills, but their liability under any agreement with the acceptors for payment or cover will be retained.

(2) The acceptors will be under obligation to collect from their clients all the funds due to them as soon as possible, and to apply those funds to repayment of the advances made by the Bank of England. Interest will be charged upon these advances at 2 per cent. above the ruling Bank rate.

(3) The Bank of England undertakes not to claim repayment of any amounts not recovered by the acceptors from their clients for a period of one year after the close of the war. Until the end of this period the Bank of England's claim will rank after claims in respect of post-moratorium transactions.

(4) In order to facilitate fresh business and the movement of produce and merchandise from and to all parts of the world the joint-stock banks have been arranged with the co-operation, if necessary, of the Bank of England and the Government to advance to clients the amounts necessary to pay their acceptances at maturity where the funds have not been provided in due time by the clients of the acceptors. The acceptor would have to satisfy the joint stock banks or the Bank of England both as to the nature of the transaction and as to the reason why the money is not forthcoming from the client. These advances would be on the same terms as regards interest as the pre-moratorium bill advances.

The Government is now negotiating with a view to assisting the restoration of exchange between the United States of America and this country.(a)

(5) LETTER FROM THE TREASURY TO THE BANK OF ENGLAND,  
DATED SEPTEMBER 30, 1914.

Treasury Chambers,

Gentlemen,

30th September, 1914.

With reference to (b) Treasury letter of the 27th ultimo, I am directed by the Lords Commissioners of His Majesty's Treasury to advert to the arrangement which, as you are aware, was announced in the Press on the 5th instant(c) with regard to

(a) See Treasury Announcements appearing in the Press, January 8th and 16th, 1915, and printed under the heading "FOREIGN EXCHANGES" at pp. 160, 161 below.

(b) Printed at p. 33 above.

(c) This Press Announcement is printed at p. 35 above.

the further steps to be taken to meet the difficulties arising from the dislocation of international exchange. The arrangement is as follows:—

- (1) The Bank of England will provide where required acceptors with the funds necessary to pay all approved pre-moratorium bills at maturity. This course will release the drawers and endorsers of such bills from their liabilities as parties to these bills, but their liability under any agreement with the acceptors for payment or cover will be retained.
- (2) The acceptors will be under obligation to collect from their clients all the funds due to them as soon as possible, and to apply those funds to repayment of the advances made by the Bank of England. Interest will be charged upon these advances at 2 per cent. above the ruling Bank rate.
- (3) The Bank of England undertakes not to claim repayment of any amounts not recovered by the acceptors from their clients for a period of one year after the close of the war. Until the end of this period the Bank of England's claim will rank after claims in respect of post-moratorium transactions.
- (4) In order to facilitate fresh business and the movement of produce and merchandise from and to all parts of the world, the joint stock banks have arranged with the co-operation, if necessary, of the Bank of England and the Government to advance to clients the amounts necessary to pay their acceptances at maturity where the funds have not been provided in due time by the clients of the acceptors. The acceptor would have to satisfy the joint stock banks or the Bank of England both as to the nature of the transaction and as to the reason why the money is not forthcoming from the client. These advances would be on the same terms as regards interest as the pre-moratorium bill advances.

In accordance with the undertaking given by the Chancellor of Exchequer in his letter of the 12th August last. (a) Parliament will be asked in due course to give statutory authority for the scheme as now amplified and for any consequent charge against the Exchequer. (b)

I am, &c.,  
(Signed) *John Bradbury.*

The Governor and Deputy Governor,  
Bank of England.

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(a) Printed at p. 32 above.

(b) See Government War Obligations Act, 1914 (s. 1 sch. par. 1), printed at pp. 30, 31 above.

**(6) STATEMENT APPEARING IN THE PRESS, FRIDAY,  
OCTOBER 2ND, 1914.**

Last night the Bank of England issued the following notice with regard to the manner in which the Bank will provide all necessary funds to pay, on behalf of acceptors, approved pre-moratorium bills at maturity:—

(1) All applications to the Bank of England from acceptors to provide funds necessary to pay approved pre-moratorium bills at maturity, in terms of the Government announcement of September 5, must be lodged in duplicate at the Bank of England not less than eight days before the advance is required. The name of the drawer, the amount, and the date of maturity of each bill must be stated in the application. If the Bank does not approve a bill notice will be given to the acceptor at least three days before the date of maturity.

(2) Applications from persons and firms unknown to the Bank must be submitted through their own bankers with a satisfactory letter of introduction.

(3) The Bank of England, provided they agree to make the advance, will pass to the credit of the applicant, as required, the amount necessary to meet the acceptances, which the acceptor will arrange to have referred to the Bank of England at maturity. The bills will then be held by the Bank until the advance is repaid. Applicants who have not already an account with the Bank of England will be required to keep an account, for this purpose only, with the Bank of England, through which the money advanced will be passed.

(4) The acceptor can arrange, if he prefers, that his own bankers should provide the required amount and then refer the acceptances (if previously approved), uncanceled, on the day of maturity, to the Bank of England, who will pay the bills to the acceptor's bankers.

**3. Advances in connection with Stock Exchange Loans.****(1) SCHEME FOR PROVIDING GOVERNMENT ASSISTANCE IN DEALING  
WITH ACCOUNT TO ACCOUNT LOANS ON THE STOCK EXCHANGE.**

With a view to avoiding the necessity for the forced realisation on a large scale of securities held as cover for Account to Account Loans, His Majesty's Government has agreed to arrange with the Bank of England to make advances to certain classes of lenders in order to enable them to continue their loans until after the end of the war. The arrangements agreed upon are as follows:—

1. The application of the scheme will be confined to Account to Account Loans made to members of the Stock Exchange by lenders other than banks to which currency facilities are open. It will not apply to lenders who are themselves members of the Stock Exchange.

2. All banks to which currency facilities are open, whether clearing banks or not, have agreed not to press for repayment of such loans, or require the deposit of further margin, until after the expiry of a period of twelve months from the conclusion of peace, or after the expiry of "The Courts (Emergency Powers) Act, 1914,"<sup>(a)</sup> whichever shall happen first, provided that this agreement shall not prejudice the right to immediate repayment if and when a receiving order in bankruptcy (or the corresponding order in Scotland) is made against the borrower. The rate of interest to be charged on loans continued under this arrangement shall not exceed the rate chargeable by the Bank of England to other lenders under paragraph 4.

3. Subject to the following conditions, the Government will arrange with the Bank of England to advance to lenders to whom the Scheme is applicable 60 per cent. of the value of the securities at present held by the lenders against any loans which they had outstanding on the 29th July, 1914, such securities to be valued for the purpose of the advance at the making-up prices of the 29th July settlement<sup>(b)</sup> :—

(a) The Bank of England may at their discretion refuse any application. But in the exercise of this discretion due regard shall be had to the object of the Scheme, viz., to prevent as far as possible the forced realisation of securities, and before a final decision is arrived at in regard to any application, the Bank will, if the applicant so desires, submit it to the Treasury.

(b) Both the lender and the immediate borrower from the lender shall be jointly and severally responsible to the Bank of England for the repayment of the advance and interest thereon.

(c) All applications for loans under the Scheme giving the particulars required by the Bank of England shall be made on or before the 31st January, 1915, and no application will be entertained which is received after that date.

4. Loans by the Bank of England under the Scheme are to bear interest at 1 per cent. above Bank rate varying, with a minimum of 5 per cent. in all. Interest will be payable fortnightly or, when the Stock Exchange is reopened, at each settlement, and the borrowers will be entitled to coupons and dividends, provided that such interest is duly paid.

5. The Bank of England will not press for the repayment of advances made under the Scheme until after the expiry of a period of twelve months from the conclusion of peace or after the expiry of "The Courts (Emergency Powers) Act, 1914,"<sup>(a)</sup>

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(a) 4 & 5 Geo. 5, c. 78, printed at p. 35 of the Manual of Emergency Legislation.

(b) In the case of Consols and other securities settling at the Consols Account the mean price of the Official List of July 27th will be taken.

whichever shall happen first, nor will the Bank in the meantime require the deposit of further margin, provided that this agreement shall not prejudice the right to immediate repayment if and when a receiving order in bankruptcy is made against the borrower.

6. The borrower may at any time repay the advance in whole or in part. In the case of part repayment the securities to be released will be settled by agreement between the borrower and the Bank of England, or, in default of agreement, will be such proportion of each security as the amount of the repayment bears to the whole advance, provided that where any of the securities are securities held by the borrower against a loan made by him, the Bank of England will release those particular securities upon repayment of an amount equal to the value of the securities at the prices of the 29th July settlement, less the amount of the margin (if any) deposited with such borrower.

7. When any of the securities against which advances are outstanding, either under paragraph 2 or under paragraph 3, reaches the above-mentioned prices of the 29th July settlement, the bank concerned or the Bank of England, as the case may be, shall have the right of calling from the borrowers for the repayment of their loans to the extent of the value of such securities, and should such request not be complied with, the bank shall have the right of selling such securities for account of the borrowers, but not under the above-mentioned prices.

8. Lenders taking advantage of the Scheme shall be bound by the same conditions as the banks under paragraph 2. In the event of any lender who might take advantage of the Scheme not doing so, but seeking to realise his securities, the Stock Exchange as a body shall oppose his application on the borrower's behalf under "The Courts (Emergency Powers) Act, 1914." (a)

The Stock Exchange Committee undertakes to make rules to secure that, where any loans have been used for the purpose of making other loans on the Stock Exchange, or for the purpose of carrying over stock, the advantages of the scheme shall extend, so far as practicable, to the clients and other parties concerned. (b)

9. The Stock Exchange Committee will not reopen the Stock Exchange without submitting the proposed date and conditions of such reopening to the Treasury and obtaining their consent. (c)

Treasury Chambers, S.W.

October 31, 1914.

(a) 4 & 5 Geo. 5. c. 78, printed at p. 35 of the Manual of Emergency Legislation.

(b) See the Emergency Rules printed at pp. 43-48 below.

(c) See the documents printed under the sub-heading "REOPENING OF THE STOCK EXCHANGE" at pp. 171-180 below.

(2) NOTICE ISSUED BY THE STOCK EXCHANGE COMMITTEE,  
OCTOBER 31ST, 1914.

The Committee for General Purposes desire to draw the attention of Members to the Government Scheme<sup>(a)</sup> framed with a view to avoiding the necessity for the forced realisation on a large scale of Securities held as cover for Account to Account Loans.

The alterations to the Rules necessary to give effect to this Scheme are in preparation and will be issued shortly.

The Committee are happy to be able to announce that in the event of any Member having to seek the protection of the Courts (Emergency Powers) Act, 1914,<sup>(b)</sup> the Trustees and Managers have agreed to be responsible for the legal expenses.

Any member who seeks the protection of this Act is required to communicate with the Secretary before taking or defending any proceedings.

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(3) LETTER FROM THE CHANCELLOR OF THE EXCHEQUER TO THE  
BANK OF ENGLAND, DATED NOVEMBER 6, 1914.

Treasury Chambers,  
6th November, 1914.

GENTLEMEN,

I HAVE the honour to transmit to you herewith a copy<sup>(c)</sup> of a notice which His Majesty's Government caused to be published on the 2nd instant, explaining the nature of the arrangement reached after consultation with you for providing Government assistance in dealing with Account to Account Stock Exchange Loans.

I have the honour to convey to you the authority of His Majesty's Government to take action on their behalf in accordance with the Scheme and an assurance that they will in due course ask Parliament to give statutory authority for the arrangements adopted and for the charge against the Exchequer of any loss which may be incurred by the Bank as the result of their operations in the matter.<sup>(d)</sup>

I have, &c.,  
(Signed) D. LLOYD GEORGE.

The Governor and Deputy Governor,  
Bank of England.

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(a) Printed at pp. 38-40 above.

(b) 4 & 5 Geo. 5, c. 78, printed at pp. 35-37 of the Manual of Emergency Legislation.

(c) Printed at pp. 38-40 above as (1).

(d) See Government War Obligations Act, 1914 (s. 1, sch. par. 1 (c)) printed at pp. 30, 31 above.



(4) LETTER FROM THE TREASURY TO THE BANK OF ENGLAND,  
DATED NOVEMBER 7, 1914.

Treasury Chambers,  
7th November, 1914.  
GENTLEMEN,

WITH reference to the letter addressed to you by the Chancellor of the Exchequer on the 6th instant, on the subject of the Scheme for providing Government assistance in dealing with Account to Account Loans on the Stock Exchange, I am directed by the Lords Commissioners of His Majesty's Treasury to transmit to you for formal record, a copy<sup>(a)</sup> of a Memorandum in which the Scheme is explained.

The Scheme will apply to Account to Account Loans on any Stock Exchange in the United Kingdom which is prepared to accept the conditions laid down in paragraph 8 and 9, and the banks to which currency facilities are open have agreed to deal with such loans in the same way as loans upon the London Stock Exchange.<sup>(b)</sup>

In accordance with the undertaking given by the Chancellor of the Exchequer in his letter of the 6th instant, Parliament will be asked in due course to give statutory authority for the charge against the Exchequer of any loss which may be incurred by the Bank as the result of the operations under the Scheme.<sup>(c)</sup>

I am, &c.,  
(Signed) *John Bradbury.*

The Governor and Deputy Governor,  
Bank of England.

(a) This is the same as the notice referred to in the Chancellor of the Exchequer's letter of 6th November and printed above at pp. 38-40 as (1).

(b) The provincial Stock Exchanges which accepted the conditions laid down in paragraphs 8 and 9 of the scheme for providing Government assistance in dealing with Account to Account Loans were as follows:—

Belfast.	Halifax.
Birmingham	Huddersfield.
Bristol.	Leeds.
Cardiff.	Liverpool.
Cork.	Manchester.
Dublin.	Newcastle-on-Tyne.
Edinburgh.	Sheffield.
Glasgow.	Swansea.

(c) See Government War Obligations Act, 1914 (s. 1, sch. par. 1 (c)), printed at pp. 30, 31 above.

(5) EMERGENCY RULES MADE BY THE STOCK EXCHANGE COMMITTEE FOR GIVING EFFECT TO THE GOVERNMENT SCHEME,(a) AND SUPPLEMENTARY EMERGENCY RULES.

[The original Emergency Rules as printed below were confirmed by the Committee November 3rd, 1914, and the Substituted, and Supplementary, Rules on the dates appended to them respectively.]

*Note:*—The Emergency Rules came into force at the Settlements of the 18th November and 1st December.

1. A Member having made a loan with margin which was outstanding on the 29th July, 1914, must continue the loan for a period which shall terminate 12 months after the conclusion of peace, or on the expiration of the Courts (Emergency Powers) Act, 1914,(b) whichever is the sooner, without calling for further margin. This extension of time is obligatory so long as the borrower pays interest fortnightly.

Loans with Margin.

So long as interest is paid fortnightly, Coupons and Dividends must be paid to the borrower and not credited to the account.

The lender must accept repayment of the whole or part of his loan from the borrower at any time.

If and when the price of any of the Securities held by a lender against the loan reaches the Making-up price of the 27th July,(c) or where there was no Making-up price on that date then the mean price of that date, the lender may call on the borrower to repay such an amount of his loan as is equivalent to the value of such Securities at such price, and in the event of the borrower not making such repayment the lender may sell such Securities himself at a price not lower than such price and repay himself with the proceeds.

2. A Member having made a loan without margin (or with insufficient margin to comply with the conditions following), which was outstanding on the 29th July, 1914, may call on the borrower to provide him with margin to the extent of 5 per cent. on Stocks contained in the annexed list and 10 per cent. on other Stocks and on the borrower so doing the lender must continue his loan for the same period subject to the same conditions as if it had been originally a loan with margin. Such margin may be provided either in Cash or in Securities taken at the above prices of 27th July.

Loans without Margin.

(a) Printed at pp. 38-40 above.

(b) 4 & 5 Geo. 5, c. 78, printed at pp. 35-37 of the Manual of Emergency Legislation.

(c) The following Notice was issued by the Stock Exchange Committee, November 6th, 1914:—

The following Lists can be obtained at the Offices of The Stock Exchange Official Lists, 4, Copthall Buildings, E.C. :—

(1) Making-up Prices of 27th July, 1914.  
 (2) { Making-up Prices for July Account } Consols, &c.  
       { Mean Prices of 27th July }  
 (3) Mean Prices of 27th July, 1914.

Contangoes.

3.(a)—(a) Where a Member has taken in Stock on Contango at the End July Account the giver, if he wishes to continue, shall pay him a difference equal to 5 per cent. on the value of the Stock taken at the Making-up price of 27th July in the case of Stocks contained in the annexed list and 10 per cent. on other Stocks and on the giver so doing and on his paying Contango money fortnightly the taker-in shall continue to take in such Stock for a period which shall terminate 12 months after the conclusion of peace or on the expiration of the Courts (Emergency Powers) Act, 1914,(b) whichever is the sooner, at a price which shall be calculated on the basis of the Making-up price of the 27th July, 1914, less the 5 per cent. or the 10 per cent. paid to the taker-in.

(b) Where a Member has taken in on a date on or after the 29th June Stock which settles at the Consols Account the giver shall, if he wishes to continue, pay :—

(1) The difference between the price at which the Stock was taken in and the mean price of the Official List of the 27th July, and

(2) A further difference equal to 5 per cent. of the value of the Stock taken at the mean price of the 27th July in the case of Stocks contained in the annexed List, and 10 per cent. on other Stocks,

and on the giver so doing and on his paying Contango money fortnightly, the taken-in shall continue to take in such Stock for a period which shall terminate 12 months after the conclusion of peace or on the expiration of the Courts (Emergency Powers) Act, 1914,(b) whichever is the sooner, at a price which shall be calculated on the basis of the mean price of the 27th July, 1914, less the 5 per cent. or the 10 per cent. paid to the taker-in.

(c)(c) A Member wishing to continue Stock without paying the difference required under (a) or the further difference required

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(a) The following Notice was issued by the Stock Exchange Committee, November 12th, 1914 :—

Cases have been reported to the Committee in which Members who have given on Stock at the End July Account and subsequently closed the same *with the Member by whom the Stock was taken in*, either by a subsequent Bargain or by a Make-up, have claimed under Emergency Rule 3 to compel their takers-in to continue until after the conclusion of Peace. Inasmuch as neither a Bargain nor a Make-up can be cancelled without the consent of both parties, the Committee have ruled that Emergency Rule 3 does not apply to such cases and that such Bargains and Makes-up, unless cancelled with the consent of both parties, close the Stock carried over at the End July Account.

(b) 4 & 5 Geo. 5, c. 78, printed at pp. 35-7 of the Manual of Emergency Legislation.

(c) (i) This Supplemental Rule 3 (c) was confirmed November 10th, 1914..

(ii) The following Notice was issued by the Committee, November 17th, 1914 :—

The Committee for General Purposes have decided that a giver who has for the time being elected to pay the increased interest allowed by Emergency Rule 3 (c) in lieu of the difference under 3 (a) or (b) (2) must give notice by 11 a.m. on Wednesday, the 23rd December, should he wish to change the conditions for the further period.

After that date the change of conditions will be a matter for arrangement between the Parties.

Brokers must issue fresh Contract Notes when the conditions are changed.

under (b) (2) shall notify his taker-in to that effect and on his so doing and on his paying Contango money fortnightly at the higher rate to be fixed by the Committee under Emergency Rule 4 the taken-in shall continue to take in such Stock for a period which shall terminate 12 months after the conclusion of peace or on the expiration of the Courts (Emergency Powers) Act, 1914,<sup>(a)</sup> whichever is the sooner, at the Making-up price or the mean price of the 27th July, as the case may be.

(d)(b) In lieu of payment of differences under (a) and (b) (2) in cash the giver may deposit with the taker-in securities which when valued at the Making-up price or the mean price of the 27th July, as the case may be, are equivalent to the amount of the difference and upon the giver so doing and on his paying Contango money fortnightly the taken-in shall continue to take in the Stock for a period which shall terminate 12 months after the conclusion of peace or on the expiration of the Courts (Emergency Powers) Act, 1914,<sup>(a)</sup> whichever is the sooner, at the Making-up price or the mean price of the 27th July, as the case may be, without any deduction.

(e)(c) During the continuance of this period the giver is required to pay the Contango money in every case each fortnight to the taker-in and the taker-in shall pay over Coupons and Dividends as and when received to the giver and shall not credit them to the Account, [(d)except in the case of a Member continuing his Stock under the provisions of 3 (c) in which case the Coupons and Dividends shall be applied in reduction of the debt.] The giver is entitled at any time during the currency of this period to take up any of the Stock on payment of the price at which the Stock is being continued with Contango money to date.

(a) 4 & 5 Geo. 5. c. 78, printed at pp. 35-7 of the Manual of Emergency Legislation.

(b) (i) This substituted Rule 3 (d) was confirmed November 10th, 1914, and amended November 12th. It takes the place of the original

EMERGENCY RULE 3 (c) OF NOVEMBER 3RD, which was as follows :—

*Differences under (a) and (b) may be provided either in cash or securities taken at the Making-up price or the mean price of the 27th July, as the case may be; and was replaced by*

SUBSTITUTED EMERGENCY RULE 3 (c) OF NOVEMBER 9TH, which was as follows :—

*In lieu of payment of the differences under (a) and (b) in cash, the giver may deposit with the taker-in Securities which when valued at the Making-up or the mean price of the 27th July, as the case may be, are equivalent to the amount of the difference and upon the giver so doing, the taker-in shall continue to take-in the Stock at the Making-up price or the mean price of the 27th July, as the case may be, without any deduction, but subject in all other respects to Rules 3, 4, 5, 6 and 7.*

(ii) NOTICE ISSUED BY THE STOCK EXCHANGE COMMITTEE,  
NOVEMBER 12TH, 1914.

"The Committee for General Purposes have decided that the expense of Registration of Securities deposited with a taker-in under Emergency Rule 3 (d) is to be paid by the giver."

(c) Rule 3 (e) was originally numbered 3 (d).

(d) The words in Rule 3 (c) in square brackets were added November 10th, 1914.

**Stock Exchange Emergency Rules :—Interest; Disputes; Clients;  
Continuation Notes.**

(f)(a) If and when the price of any Stock taken in reaches the Making-up price of the 27th July or the mean price of the 27th July, (b) as the case may be, the taker-in may call on the giver to pay for such Stock and in the case of non-payment the taker-in may himself sell such Stock for account of the giver at a price not lower than such Making-up price or mean price as the case may be.

Interest.

4.(c) The Rates of Interest charged under Emergency Rules 1 and 2 and the Contango Rates charged under Emergency Rules 3 (a), (b) and (d) and the higher Contango Rate charged under Emergency Rule 3 (c) shall as between Members not exceed such rates as will be fixed fortnightly by the Committee.(d)

Disputes.

5. In the event of any dispute as to the Securities to be given in lieu of cash under [Emergency Rule 2 or 3 (d)] (e) the matter shall be referred to Arbitration under Rule 71 with appeal to two Members of the Committee.

Clients.

6. The above Emergency Rules shall also apply to Loans and Contangoes as between Brokers and their Clients, any difficulty arising in such application to be referred to the Committee for their direction.

Continuation Notes.

7. Continuation Notes issued by Brokers to their Clients shall contain the following words:—

“Subject to the Rules and Regulations of The Stock Exchange and to the terms and conditions of the Emergency Rules.”

(a) Rule 3 (f) was originally numbered 3 (e).

(b) The words “as the case may be” in Rule 3 (f) were added to Rule November 12th, 1914.

(c) The above Rule 4 was substituted, November 10th, 1914, for *Emergency Rule 4 of November 3rd*, which was as follows:—

Interest.

4. *The Rates of Interest and Contango Rates chargeable under these Emergency Rules shall not exceed such rates as will be fixed fortnightly by the Committee, but this shall not prevent a Member charging by agreement a reasonably higher rate in lieu of receiving margin under Emergency Rule 2 or 3 (a) or (b).*

(d) In accordance with Rule 4, the Committee issued a Notice every fortnight fixing the following maximum rates of interest and Contango Rates to be applied between Member and Member for each ensuing Account:—

		Higher Contango Rate under Emergency Rule 3 (c)
1. Loans	... 6 per cent.	
2. Stocks open on Contango Account—		
On all Stocks and Shares included in the list annexed to the Emergency Rules	... 6 per cent.	7 per cent.
On all other Stocks and Shares quoted in The Stock Exchange Daily Official List	... 6½ per cent.	7½ per cent.
On all Stocks and Shares not quoted in The Stock Exchange Daily Official List	... 7½ per cent.	9 per cent.
The rates so fixed remained in force until the account ending June 25th, 1915, except that from January 28th the rate on Stocks and Shares not quoted in The Stock Exchange Daily Official List was reduced to 7 per cent. and the higher Contango Rate thereon to 8 per cent.		

(e) In Rule 5 as originally passed the words in square brackets read “*Emergency Rules 2 or 3 (c) or as to the rate of interest to be charged under the latter part of Rule 4.*”

8.(a) Alteration to Rule 94 (3), as shown below in **heavy type**, to be operative for the 18th November and 1st December Settlements only:— Demand for Bank Notes.

*If a Member require Bank Notes or a Marked or Transfer Cheque in payment for Securities sold, without having made such stipulation at the time of making the bargain, he must give notice to the issuer of the Ticket to that effect before Half-past Eleven o'clock on the day of delivery, and payment shall be made upon delivery of the Securities, or the Stock receipt.*

9.(a) (b) Members who have given on Stock which is due for Settlement on the 18th November are required to declare whether they will— Methods of Continuation.

(a) take up their Stock or

(b) continue under the provisions of Emergency Rule 3 (a), (c) and (d)

by 1 p.m. on Thursday, the 12th instant.

10.(a) Tickets for Securities usually settled at the Consols Account will pass on Tuesday, the 17th November. Stock will be paid for and differences paid on the 18th November. Tickets.

11.(c) All Tickets representing Securities included in The Stock Exchange Official List of Making-up Prices of the 27th July, 1914, shall be passed through the Accounts at the prices of that List and the Securities paid for at such prices, but, in the case of Registered Securities, the consideration in the deed must be at the price of the Ticket. Price of Tickets.

12.(c) The Committee will fix prices at which Tickets for Securities open for Special Settlement on the 18th November shall be passed through the Accounts.(d) Price of Tickets, Special Settlements.

13.(e) While the House is closed the Committee may order a Member, who is reported by the Manager of the Buying-in and Selling-out Department as liable for undue delay in the delivery of any Security, to pay to the Department a fine equal to the Authorised Commission for Buying-in such Security; such fine may be re-imposed by the Committee from time to time during the continuance of the delay. Fine for undue Delay in Delivery.

(a) Rules 8, 9, and 10 are SUPPLEMENTARY EMERGENCY RULES confirmed November 6th, 1914, for the purpose of carrying out the Emergency Rules in relation to the Settlements of the 18th November and 1st December, 1914, and have all now lapsed.

(b) Rule 9 above is printed as amended November 10th. As originally confirmed November 6th, paragraph (b) read as follows:—

(b) In the absence of a previous arrangement under Emergency Rule 4 provide margin under Emergency Rule 3 (a).

(c) Rules 11 and 12 are SUPPLEMENTARY EMERGENCY RULES confirmed November 7th, 1914, for the purpose of carrying out the Emergency Rules in relation to the Settlements of the 18th November and 1st December, 1914, and have now lapsed.

(d) Copies of the List of Prices fixed under Supplementary Emergency Rule 12 for Securities open for Special Settlement on the 18th November, 1914, can be obtained at the offices of The Stock Exchange Official Lists, 4, Copthall Buildings, E.C.

(e) Supplementary Rule 13 was confirmed December 12th, 1914, and has now lapsed.

Dividends  
on Mining  
Shares  
carried over.

14.(a) In the case of all Mining Shares carried over under the Emergency Rules, any excess of dividend over 10 per cent. paid during each year must be credited to the Account, such 10 per cent. to be calculated on the Making-up Price or Mean Price of the End of July Account.

Dividends  
on Mining  
Shares  
deposited as  
Margin on  
securities  
carried over.

15.(b) That in the case of Mining Shares deposited as Margin on any Securities carried over under the Emergency Rules, the dividends thereon shall be subject to the provision of the Resolution constituting Supplementary Emergency Rule 14.

#### **4. Advances to British Export Traders in respect of Debts Abroad.**

(1) ANNOUNCEMENT TO THE PRESS, DATED 3RD NOVEMBER, 1914.

The Treasury announces that a Committee consisting of representatives of the Treasury, the Bank of England, the Joint Stock Banks, and the Association of Chambers of Commerce of the United Kingdom has been formed, to whom is delegated the authorisation of advances in approved cases to British traders carrying on an export business in respect of debts outstanding in foreign countries and the colonies, including unpaid foreign and colonial acceptances, which cannot be collected for the time being.

The object in view is to assist traders by removing obstacles to the steady flow of business, which have arisen through the temporary interruption of the ordinary channels of collection. The assistance to be given is intended to provide solvent traders with funds to continue their business and to pay their commercial debts to other traders or manufacturers. The banks have agreed that no part of the advances under this Scheme shall be applied to paying off or reducing loans or bank overdrafts or meeting unpaid foreign and colonial acceptances held by the trader's own bankers.

The Committee will have absolute discretion to decide whether an advance is to be made in any particular case and, if they decide to make an advance, as to the amount; such advance will not exceed 50 per cent. of the outstandings. Full particulars must be scheduled and lodged with the Committee, supported by a statutory declaration of the trader and supplemented by a report from the manager of the bank with whom the trader keeps an account, or through whom the advance is to be obtained; the banker may call upon the trader to submit to him audited accounts of his business and such other information as he deems desirable. The necessary forms will be issued by the banks through whom all applications for advances should be made.

The Committee will be prepared at an early date to consider applications, and will authorise the bankers of the trader to provide facilities, which will take the form of a six months' bill

(a) Supplementary Rule 14 was confirmed January 18th, 1915.

(b) Supplementary Rule 15 was confirmed January 25th, 1915.

drawn by the trader, accepted by the bank, and certified by the Committee as "guaranteed under the Scheme for the Relief to British Traders of the 3rd November, 1914." The bill will be domiciled for payment at the accepting bank or its London agents, and may be taken up at maturity by the drawer. It will be renewable in whole or in part for a like period from time to time until twelve months have elapsed after the close of the war or until the expiry of "The Courts (Emergency Powers) Act, 1914,"<sup>(a)</sup> whichever shall happen first. Immediate recourse against a trader will arise if and when a receiving order in bankruptcy (or a corresponding order in Scotland) is made against him.

The trader may discount the bill either with the accepting bank or in the market. The trader must pay in advance to the bank an accepting fee on each bill of 5s. per cent. The trader must further pay a commission at the rate of 1 per cent. on the amount of each bill when originally drawn or renewed to meet expenses and provide an insurance fund.

Every trader so assisted shall be under obligation to collect the scheduled debts as soon as possible and to hand over the proceeds as and when received to the bank, together with any further sums which the trader may elect to pay, which will be applied in reduction of the advance.

The Government will ask Parliament to provide that the ultimate loss, if any, shall be borne to the extent of 75 per cent. by the Exchequer, and to the extent of 25 per cent. by the accepting bank,<sup>(b)</sup> and to make the charge upon the outstanding debts valid and effective as against all persons without registration or other formal notification.<sup>(c)</sup>

The names of the Committee will be announced this week.

Treasury Chambers,  
November 3, 1914.

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(2) TREASURY MINUTE, DATED 6TH NOVEMBER, 1914, APPOINTING  
A COMMITTEE TO ADMINISTER THE SCHEME.

My Lords read the Scheme for Relief to British Traders in respect of debts abroad announced on the 3rd instant, under which it is proposed to delegate to a Committee appointed by the Board the duty of authorising advances in approved cases to British traders carrying on an export business in respect of debts outstanding in foreign countries and the colonies, including unpaid foreign and colonial acceptances, which cannot be collected for the time being.

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(a) 4 & 5 Geo. 5. c. 78, printed at p. 35 of the Manual of Emergency Legislation.

(b) See s. 1 and sch. par. 2 of the Government War Obligations Act, printed at pp. 30, 31 above.

(c) See s. 2 (2) of the Government War Obligations Act, printed at p. 30 above.



The Chancellor of the Exchequer recommends to the Board that the Committee should be constituted as follows:—

Sir Henry Babington Smith, K.C.B., C.S.I. (Chairman).

Sir Algernon Firth, Bart.

Sir William Plender.

Donald Maclean, Esq., M.P.

Brien Cokayne, Esq.

G. H. Pownall, Esq.

My Lords concur.

Let the necessary directions be given accordingly.

(3) SCHEME OF THE FOREIGN TRADE DEBTS COMMITTEE FOR ADVANCES TO BRITISH EXPORT TRADERS IN RESPECT OF DEBTS ABROAD, APPEARING IN THE PRESS, MONDAY, NOVEMBER 16TH, 1914.

The Treasury has delegated to a Committee the power to authorize advances in approved cases to British traders, carrying on an export business, in respect of debts outstanding in foreign countries and the Colonies, including unpaid foreign and colonial acceptances, which cannot be collected for the time being. The object of this Scheme is to provide solvent traders with funds to continue their business and enable them to pay their commercial debts to other traders or manufacturers. The advances under this Scheme are not to be applied in paying off or reducing loans or bank overdrafts, or in meeting unpaid foreign and colonial acceptances held by the traders' own bankers.

The Committee will decide whether an advance is to be made in any particular case, and the amount thereof which will not exceed 50 per cent. of the outstandings. Full particulars must be furnished supported by a statutory declaration of the trader and supplemented by a report from the manager of the bank with whom the trader keeps an account or through whom the advance is to be obtained; the banker may call upon the trader to submit to him audited accounts of his business and such other information as he deems desirable.

Facilities if granted will take the form of six months' bills drawn by the trader, accepted by the bank, and certified by the Committee. The bills will be domiciled for payment at the accepting bank or its London agents. The bills will be renewable with the approval of the Committee in whole or in part for a like period from time to time until twelve months have elapsed after the close of the war or until the expiry of "The Courts (Emergency) Powers Act, 1914,"<sup>(a)</sup> whichever shall happen first. Immediate recourse against a trader will arise if and when a receiving order in bankruptcy or any similar order is made against him.

The trader will be required to charge to the bank as security for all advances the scheduled debts and acceptances and to

(a) 4 & 5 Geo. 5. c. 78, printed at p. 35 of the Manual of Emergency Legislation.

collect the same as soon as possible and to hand over the proceeds as and when received to the bank to be applied in due course, together with any further sums which the trader may elect to pay, in reduction of the advances.

The trader will be required to pay in advance to the bank on each bill or renewal an accepting fee of 5s. per cent. and also a commission of £1 per cent. on the amount of each bill, to meet expenses and provide an insurance fund.

The ultimate loss, if any, will be borne to the extent of 75 per cent. by the Exchequer and to the extent of 25 per cent. by the accepting bank, and Parliament will be asked to give the necessary powers and to make the charge upon the outstanding debts valid and effective as against all persons without registration or other formal notification.<sup>(a)</sup>

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(4) DIRECTIONS TO BE FOLLOWED BY TRADERS DESIRING ADVANCES UNDER THE SCHEME.

Traders should apply to their Bankers from whom they can obtain the forms which have been prescribed by the Committee as follows:—

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|---|---|---|
| <p>FORM 1.<br/>AND SHEETS<br/>"A" &amp; "B"</p> | } | <p>Form 1, for the use of individuals and Firms, is a Statutory Declaration supporting the application and verifying the information contained in Sheets "A" and "B" attached, as to the applicant's position and the debts in respect of which an advance is required.</p> |
| <p>FORM 2.</p>                                  | } | <p>Is a similar form to be used by Limited Companies.</p>   |

The procedure to be adopted by Traders is as follows:—

Having obtained from the Bankers Form 1 (or in the case of Limited Companies Form 2) with Sheets "A" and "B" attached, all in duplicate, the Trader should complete and sign Form 1 (or Form 2, as the case may be) and Sheets "A" and "B" in duplicate and make the Statutory Declaration contained in Form 1 before a Commissioner for Oaths. The Declaration need only be made in respect of one copy but both copies must be signed by the Trader.

The Trader will then hand the completed form in duplicate with Sheets "A" and "B" attached, to the Bankers.

The Bankers will attach their recommendation in the prescribed form and present the same to the Committee, who will consider the application and decide whether they will authorise any, and, if so, what advance. A notification of the Committee's decision will be sent to the Bankers.

Should an advance be authorized the Bankers will notify the Trader accordingly and will at the same time forward to him copies of the necessary agreement and Bill forms to enable him to draw upon them to the extent authorized by the Committee.

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(a) See ss. 1 (2) and sch. par. 2 of the Government War Obligations Act, printed at pp. 30, 31 above.

The Trader will then draw the Bills and hand them with the agreement signed in duplicate and the accepting fee of 5s. per cent. and commission of 1 per cent. to the Bankers who will accept the Bills and present them to the Committee to be certified under the Scheme and return them in due course to the Trader in exchange for any unpaid acceptances, policies or other securities as specified in Sheet "B." The Trader will then be at liberty to discount the Bills either with the accepting Bank or in the market.

N.B.—If the Trader finds that he is unable to make the required declaration or that the printed forms are not applicable to his particular case, he should send to the Committee through his Bankers a statement of his difficulty with all necessary explanations so that his case may be specially considered.

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(5) ANNOUNCEMENT BY THE FOREIGN TRADE DEBTS COMMITTEE  
APPEARING IN THE PRESS, MONDAY, NOVEMBER 16TH, 1914.

It is announced that the offices of the Foreign Trade Debts Committee, situated at 119, Victoria-street, Westminster, S.W., will be open on and after Tuesday next.

The committee will be prepared, as from that date, to consider applications in accordance with the scheme already published for advances to British export traders in respect of foreign and colonial trade debts.

The forms to be filled up by applicants should be obtained by them from their bankers. Banks who desire to be supplied with forms should make application to the committee at the above address.

Mr. H. Mead Taylor has been appointed secretary of the committee. Inquiries should be addressed to him at the committee's offices, 119, Victoria-street, Westminster, S.W.

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(6) STATEMENT OF THE FOREIGN TRADE DEBTS' COMMITTEE APPEAR-  
ING IN THE PRESS, TUESDAY, DECEMBER 15, 1914.

Now that the Government Scheme is in operation for enabling British Exporters to obtain advances in respect of foreign and colonial debts and unpaid acceptances which cannot at the present time be collected, it is interesting to examine the scheme in order to form an estimate of its probable usefulness.

The Scheme does not contemplate direct advances by the Government to Exporters. It aims at enabling the Trader to draw Bills, accepted by his Bank and guaranteed by the Committee appointed by the Treasury under the Scheme. Such Bills will be first-class negotiable instruments and capable of being readily discounted on the most favourable terms either at the Trader's own Bank or in the market. The procedure is as follows: An Exporting Firm or Company having debts due to

them from abroad but not immediately collectable owing to the War, will, through their Bankers, furnish the Foreign Trade Debts' Committee with a statement of their financial position and a list of the foreign debts forming the security for the accommodation, and for this purpose the necessary forms are supplied to Banks by the Committee as required. The Firm's Bankers are necessary parties to each application, as their recommendation is essential before the application can be considered by the Committee. The maximum limit for an advance is 50 per cent. of the foreign debts, but within that limit the amount to be authorised is in the absolute discretion of the Committee.

Upon an application being authorised the Trader draws a six-months' Bill on the Bank recommending the advance. The Bank accepts it and obtains the Committee's certificate endorsed thereon.

The Bill can then be discounted at once and will be renewable, with the approval of the Committee, for subsequent periods of six months after deducting the amount of any of the foreign debts, constituting the specific security, which have been collected in the interval. Renewals may be arranged until after the conclusion of the War.

The cost to the Trader of the accommodation should work out at the rate of about  $6\frac{1}{2}$  per cent. per annum, made up as follows, viz. :—

Insurance Commission of 1 per cent. payable to the Committee on each six-months' Bill. (Making 2 per cent. per annum.)

Accepting fee of one-quarter per cent. payable to the Bank on each Bill. (Making one-half per cent. per annum.)

Assuming that the Bills can be discounted at, say,  $3\frac{1}{2}$  per cent. and allowing for stamp duty, the total price paid for the accommodation is estimated at a little under  $6\frac{1}{2}$  per cent.

The Trader remains personally responsible for meeting the Bills which he has drawn, even though the Foreign Debts should prove to be irrecoverable. The Scheme, in fact, provides the Trader with the means of obtaining money pending the recovery of debts due to him from abroad, but does not relieve him from liability if the pledged debts are insufficient.

If the Trader is unable to provide for the Bills when they fall due, they will be honoured by the accepting Bank, and any ultimate loss, after the Insurance Fund has been exhausted, will be met to the extent of 75 per cent. by the Government.

Thus a Bank, in agreeing to accept Bills under the Scheme, will have as security (1) the foreign debts scheduled with the application (2) the Trader's credit, (3) the Insurance Fund. If there is, nevertheless, an ultimate loss, the Bank's share in it is only 25 per cent.

The negotiations, which preceded the formulation of the Scheme, took place between the Government and the Clearing Banks and representatives of the Country Banks. It is not, however, the Committee's intention to deal with those Banks only. They are prepared to consider the recommendation of any Bank of high standing doing business in this country.

It will be seen that the Scheme is wide in scope and eminently practical in working. The Secretary to the Committee is Mr. H. Mead Taylor, and the offices are at 119, Victoria Street, Westminster, S.W.

(7)—DIRECTIONS TO BE FOLLOWED BY FISH EXPORTERS DESIRING ADVANCES UNDER THE SCHEME OF 3RD NOVEMBER, 1914, FOR RELIEF OF BRITISH TRADERS.(a)

These directions are intended to be followed in cases where particulars of debts are not available in respect of consignments of fish to Foreign Ports. So far as advices have been received of the sale of the goods, particulars must be furnished under heading No. 9 in the Schedule to Form 1a or 2a as the case may be.

Fish Merchants should apply to their Bankers from whom they can obtain the forms which have been prescribed by the Committee as follows:—

Form 1a and Sheet "A." } Form 1A, for the use of individuals and Firms, is a Statutory Declaration supporting the application and furnishing information in respect of the consignments on account of which an advance is required, and verifying the information contained in Sheet "A."

Form 2a. Is a similar form to be used by Limited Companies.

The procedure to be adopted by Traders is as follows:—

Having obtained from the Bankers Form 1a (or in the case of Limited Companies Form 2a) with Sheet "A" attached, all in duplicate, the Trader should complete and sign Form 1a (or Form 2a, as the case may be) including the Schedule and Sheet "A" in duplicate and make the Statutory Declaration contained in Form 1a before a Commissioner for Oaths. If the proposed advance is applied for partly in respect of debts of which particulars are available, and partly in respect of consignments in respect of which no particulars are available, particulars of any debts so far as available must be included under heading No. 9 in the Schedule. The Declaration need only be made in respect of one copy but both copies must be signed by the Trader.

The Trader will then hand the completed forms in duplicate, with Sheet "A" attached, to the Bankers.

The Bankers will attach their recommendation in the prescribed form and present the same to the Committee, who will consider the application and decide whether they will authorise any, and, if so, what advance. A notification of the Committee's decision will be sent to the Bankers.

(a) The Treasury in March, 1915, authorised the consideration by the Foreign Trade Debts Committee of applications for advances by Fish Exporters in respect of Consignments of Fish to Foreign Ports in cases where particulars of debts are not available.

The Scheme of November 3rd, 1914, is printed at p. 50 above, and the General Directions to be followed by Export Traders, at p. 51 above.

Should an advance be authorised the Bankers will notify the Trader accordingly and will at the same time forward to him copies of the necessary agreement and Bill forms to enable him to draw upon them to the extent authorised by the Committee.

The Trader will then draw the Bills and hand them with the agreement signed in duplicate and an accepting fee of 5s. per cent. and a commission of 1 per cent. to the Bankers who will accept the Bills and present them to the Committee to be certified under the Scheme and return them in due course to the Trader in exchange for any unpaid acceptances or other securities available. The Trader will then be at liberty to discount the Bills either with the accepting Bank or in the market.

*N.B.*—If the Trader finds that he is unable to make the required declaration or that the printed forms are not applicable to his particular case, he should send to the Committee through his Bankers a statement of his difficulty with all necessary explanations so that his case may be specially considered.

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## 5. Advances in connection with the Liverpool Cotton Exchange.

BOARD OF TRADE ANNOUNCEMENT, DATED NOVEMBER 14, 1914, AS TO ARRANGEMENTS TO FACILITATE THE RE-OPENING OF THE LIVERPOOL COTTON EXCHANGE.

With a view to enabling the Liverpool Cotton Exchange to be re-opened the Board of Trade, with the authority of the Treasury, have arranged a scheme, in consultation with the Directors of the Liverpool Cotton Association and with representatives of the Liverpool Banks, which provides for the guarantee by His Majesty's Government, the Liverpool Cotton Association, and the Liverpool Banks, jointly, of advances made to merchants by those banks. The details of the scheme are embodied in a Form of Agreement which provides *inter alia* that persons desiring advances shall make to the Bank and to the Directors of the Liverpool Cotton Association, or a Committee appointed by that Association, such disclosure of their affairs and their books as may be required by the Bank and the Directors of the Association. If the Bank and the Directors approve, advances may be made upon terms similar to those arranged in the scheme for relief to British traders in respects of debts abroad.<sup>(a)</sup> Repayment of the advance, and of the interest thereon, is to be guaranteed as to 50 per cent. by His Majesty's Government, and as to 25 per cent. by the Liverpool Cotton Association, leaving a risk of 25 per cent. to be assumed by the Bank.

The Form of Agreement provides for the periodical investigation of the borrower's affairs and for repayment in the event

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(a) This Scheme is printed at p. 50 above.

of the borrower becoming bankrupt or committing any act of bankruptcy, or making any arrangement with his creditors. In the event of the Government, the Directors of the Association and the Bank at any date so deciding any advance then outstanding, together with interest thereon, shall be immediately repayable, and upon failure of the borrower to repay in whole or part, then any amount for which His Majesty's Government may be liable under the guarantee shall be paid to the Bank by the Government on demand.

The guarantee is to apply only to advances required by the borrower to meet Market differences from 5*d.* per lb. downwards which he may have paid, or may still have to pay, in respect of Cotton Future Contracts.

All advances under the scheme are to be repaid not later than one year after termination of the war.

Board of Trade,

14th November, 1914.

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## 6. Payments on Contracts of Insurance or Re-Insurance against War Risks of Ships or Cargo or for Relief of Dependants of Persons on Insured Ships.<sup>(a)</sup>

### (1) NOTE BY THE BOARD OF TRADE AS TO THE GOVERNMENT WAR RISKS INSURANCE SCHEME.

A scheme for the insurance against war risks of British ships and of cargoes carried in British ships was prepared by a Sub-Committee of the Committee of Imperial Defence. (*See Parliamentary Paper, 1914, Cd. 7560.*) This scheme was put in operation on the outbreak of war.

Under the scheme hulls are insured with approved War Risks Associations in London, Liverpool, and Newcastle, and 80 per cent. of the risk is then reinsured by those Associations with the Government. Copies of the agreements made between the

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(a) The Government War Obligations Act, 1914 (5 Geo. 5, c. 11, printed at p. 30 above) provides (s. 1) for payments out of moneys provided by Parliament or out of the Consolidated Fund on contracts of insurance or re-insurance against war risks of ships or cargo, or for the relief of dependants of persons on insured ships (s. 2 (1)) for the exemption from stamp duty of contracts of reinsurance, and the validity of documents for the purpose of carrying out government war obligations not stamped or expressed in a policy of sea insurance or made for a term exceeding 12 months, and (s. 3) for the validity of policies granted or contracts made by Associations for the purpose of carrying out any government scheme of insurance of ships or cargo against risk of the King's enemies or for the relief of dependants of persons on insured ships.

Government and these Associations for the purpose of carrying out the scheme, and copies of the insurance policies used in connection with the scheme are printed below.(a)

Copies are also printed of the reinsurance agreement and supplemental agreement relating to Oversea Sailing Ships and of the reinsurance agreement relating to Fishing Vessels.(b)

For the purpose of the insurance of cargo carried on British steamers insured under the scheme a special office was opened in London, first at the Cannon Street Hotel, and later in King William Street,(c) at which such cargo with certain exceptions, *e.g.*, enemy cargo, could be insured at the current Government rate of premium. As regards cargo insurance the scheme was extended to certain approved sailing vessels on March 19th, 1915. Copies of the explanatory memorandum issued by this office, of the form of application, and of the form of policy used for insuring the cargo are printed below.(d)

After the fall of Antwerp in October, 1914, the Government agreed to include in its scheme Belgian steamers approved by the Belgian Government, and cargo therein, subject to the same general conditions as those applicable to British vessels.

(a) (i) The Agreements printed are those made with the Liverpool and London War Risks Insurance Association, Limited.

Agreements in similar terms were also concluded with—

(1) The North of England Protecting and Indemnity Association.

(2) The London Group of War Risks Associations, viz. :—

The Britannia Steam Ship Insurance Association, Ltd.

The London Steam Ship Owners' Mutual Insurance Association, Ltd.

The Newcastle War Risks Indemnity Association, Ltd.

The Standard Steamship Owners' Mutual War Risks Association, Ltd.

The Sunderland Steamship Mutual War Risks Association, Ltd.

The United Kingdom Mutual War Risks Association, Ltd.

The West of England Mutual War Risks Association, Ltd.

(ii) The Agreements between H.M.'s Government and the Associations are printed at the following pages below :—

Reinsurance Agreement for Completion of Voyages Current at and for New Voyages begun after outbreak of War, pp. 58-61.

Supplemental Reinsurance Agreement "for Time," and fixing Basis of Valuation for All Insurances under the scheme, pp. 80, 81.

Supplemental Agreement for Payment of Allowances to the Dependants of Officers and Seamen Interned in Enemy Countries, pp. 89-91.

(iii) The Forms of Policy in connection with the Insurance of Hulls under these Agreements are printed at the following pages below :—

Standard Policy by Association (Sch. I), pp. 62-68.

Reinsurance Policy for Completion of Current Voyages by H.M.'s Government under Cl. 1 (Sch. II), pp. 69-72.

Policy by Association covering New Voyages after outbreak of War (Sch. III), pp. 73-77.

Reinsurance Policy for New Voyages by H.M.'s Government (Sch. IV), pp. 78, 79.

Policy for Time by Association (Sch. V), pp. 82-86.

Reinsurance Policy for Time by H.M.'s Government (Sch. VI), pp. 87, 88.

(b) The Agreements for Oversea Sailing Ships and the Forms of Policy in connection therewith are printed at pp. 92-107 below, and those relating to Fishing Vessels at pp. 107-115 below.

(c) The address of the War Risks Insurance Office is :—33-36, King William Street, London, E.C.

(d) The Explanatory Memorandum is printed at pp. 116-119, the Form of Application at p. 120, and the Form of Policy for Insuring Cargo at pp. 121-123.



**I. Insurance of Hulls.(a)****(2) REINSURANCE AGREEMENT FOR COMPLETION OF VOYAGES  
CURRENT AT AND FOR NEW VOYAGES BEGUN AFTER OUT-  
BREAK OF WAR.**

REINSURANCE AGREEMENT BETWEEN THE LIVERPOOL AND LONDON  
WAR RISKS INSURANCE ASSOCIATION LIMITED (HEREINAFTER  
CALLED THE ASSOCIATION) OF THE ONE PART AND HIS  
MAJESTY'S GOVERNMENT OF THE OTHER PART.

WHEREAS the Association is in the habit of insuring the ships belonging to its members and entered in the Association against war risks but would, but for the promise of reinsurance given by these presents, insure such ships, against the risks of King's Enemies in the event of war by or against Great Britain, for a very limited period only.

AND WHEREAS His Majesty's Government is desirous, on grounds of public safety, that, while Great Britain is at war British Vessels shall not be laid up or oversea commerce interrupted.

AND WHEREAS the Association has, at the request of His Majesty's Government, extended or agreed to extend the insurance against the risks of King's Enemies, of the ships belonging to its members and entered in the Association, upon the terms that His Majesty's Government undertakes to reinsure the Association as and to the extent hereinafter provided.

NOW THEREFORE IT IS HEREBY AGREED between the parties as follows:—

1.—(1) In order that the insurance by the Association of the ships belonging to its members may be extended so as to cover the risks of King's Enemies in the event of war by or against Great Britain for the period mentioned in the policy set out in Schedule I., His Majesty's Government agrees to insure as reinsurers of the Association, in the terms of the policy set out in Schedule II., all the ships insured by the Association, and such insurance by His Majesty's Government shall be granted without premium in consideration of the Association, as original insurers, insuring the ships against the like risks, and shall cover 80 per cent. of the liability of the Association as original insurers.

(2) The original insurances by the Association mentioned in this clause shall be in the terms of the Policy set out in Schedule I., with such modifications increasing, but not diminishing, the protection given by the Association as the Association may think fit, provided, nevertheless, that the liability of His Majesty's Government shall not extend beyond that which would attach under a reinsurance in the terms of the Policy set out in Schedule II. of an original insurance in the terms of the Policy set out in Schedule I.

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(a) As to the Agreements hereunder printed see footnote (a) to p. 57.

2.—(1) In order to promote the insurance by the Association of the ships belonging to its members for new voyages to be made after war has been declared or hostilities have been begun by or against the King's Enemies, His Majesty's Government further agrees to insure, as reinsurers of the Association, in the terms of the policy set out in Schedule IV., any of the ships belonging to members of the Association and insured by the Association for voyages begun after the time when war is declared or hostilities are begun by or against Great Britain, and such insurances by His Majesty's Government shall be at such rates of premium, not exceeding 5 per cent., as may from time to time be fixed by His Majesty's Government and shall cover 80 per cent. of the liability of the Association as original insurers. Provided that the Association shall be at liberty to reinsure elsewhere if it so chooses.

(2) The original insurances by the Association mentioned in this clause shall be in the terms of the Policy set out in Schedule III., with such modifications increasing, but not diminishing, the protection given by the Association as the Association may think fit, provided, nevertheless, that the liability of His Majesty's Government shall not extend beyond that which would attach under a reinsurance in the terms of the Policy set out in Schedule IV. of an original insurance in the terms of the Policy set out in Schedule III.

(3) In order to enable the Association to fix the premium to be charged by it on the original insurances in respect of such voyages, His Majesty's Government shall give notice in writing to the Association of the rates of premium to be charged by His Majesty's Government upon the Reinsurances and of any changes in such rates, and any ships insured by the Association shall be reinsured by His Majesty's Government at the rate which was applicable to the voyage according to the notice received by the Association at the time when the contract for the original insurance by the Association was concluded. Provided that if the ship insured does not sail within 14 days from the time when the original insurance is concluded, His Majesty's Government shall be bound to reinsure only at the rate applicable to the voyage at the time when the ship actually sails.

The Association agrees that it will not charge its members an initial premium at a higher rate than the rate charged by His Majesty's Government, and that any excess of losses over premiums shall, as between the Association and its members, be made good by a call upon the members as may be provided by the Articles of Association of the Association.

(4) His Majesty's Government may give notice in writing to the Association of any voyages for which His Majesty's Government is not prepared to insure and shall not be bound to insure for any such voyage any ship in respect of which the contract for the original insurance by the Association was concluded after the receipt by the Association of the notice applicable to such voyage.

(5) Notwithstanding anything contained in paragraph (4) of this clause, His Majesty's Government shall be bound to insure any ship for any voyage to a British port from a neutral port at which the ship, being on a voyage or in port at the time when war is declared or hostilities are begun by or against Great Britain, ceases to be covered by a policy in the terms of the policy set out in Schedule II.

3. His Majesty's Government shall accept for the purposes of all reinsurances the values agreed between the Association and its members on the original insurances.

4. The Association shall keep His Majesty's Government advised of all original insurances in respect of which His Majesty's Government is bound to reinsure the Association and His Majesty's Government shall, as requested, issue reinsurance policies accordingly.

5. His Majesty's Government may appoint two representatives who shall be entitled to attend the meetings of the Committee of the Association.

6. The Association shall permit the representatives of His Majesty's Government at all convenient times to examine the books and documents of or in the possession of the Association relating to the original insurances and any losses and claims thereunder, and shall also give all information in the possession of the Association relating thereto and so far as lies in its power produce or procure the production of all books and documents which the Association is entitled to have production of in connection with the original insurance and any losses and claims thereunder for the examination by such representatives of His Majesty's Government.

7. All settlements and decisions of the Committee of the Association, unless dissented from in writing by the representatives of His Majesty's Government on any of the following matters, shall be accepted by His Majesty's Government as binding and conclusive and His Majesty's Government agrees to follow and be bound by the same, namely:—

(A) The settlement of losses and claims attaching to any policy underwritten by the Association.

(B) The decision upon all questions of cancellation and return of premiums and upon all questions of average deposits and other deposits or contributions and upon all questions of salvage and refund, and generally upon all matters appertaining or incidental to the insurances.

8. His Majesty's Government shall bear and pay its rateable proportion of any expenses incurred by the Association in connection with any loss or claim.

9. As between His Majesty's Government and the Association all moneys payable to the Association in respect of losses claims deposits expenses or otherwise shall be debited in account and all moneys payable by the Association in respect of premiums salvages or otherwise shall be credited in account but if at any time the amount due on balance to the Association exceeds

20,000*l.* the excess shall be paid by his Majesty's Government to the Association within seven days of a request for payment by the Association.

10. The Accounts between His Majesty's Government and the Association shall be rendered quarterly by the Association to His Majesty's Government within three months after the close of each quarter and the balance due on either side shall be paid within seven days.

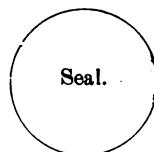
11. This Agreement may be determined by six months' notice in writing on either side but notwithstanding the expiration of such notice His Majesty's Government shall continue to be bound to reinsure the Association in respect of all insurances by the Association for which the contract was concluded before such expiration.

Dated the fourth day of August, 1914.

IN WITNESS whereof the Liverpool and London War Risks Insurance Association, Limited, hath hereunto caused its Common Seal to be affixed, and the President of the Board of Trade for and on behalf of His Majesty's Government hath hereunto set his hand and the Seal of the Board of Trade.

The Common Seal of the Liverpool and London War Risks Insurance Association, Limited, was hereunto affixed in the presence of

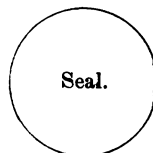
T. ROMER,        }  
A. A. BOOTH,     } *Members of the*  
                               *Committee.*



NORMAN HILL, *Secretary.*

Signed by the Right Hon. Walter Runciman, M.P., President of the Board of Trade, the Seal of the Board having been duly affixed by his direction, in the presence of } WALTER RUNCIMAN.

R. J. LISTER,  
Librarian, Board of Trade,  
7, Whitehall Gardens.



## FORMS OF POLICY IN CONNECTION WITH THE INSURANCE OF HULLS.

*Note.*—In order to show how the Scheme would work, the following forms are appended. The forms of original policy to be issued by the Associations are inserted by way of illustration, and are not intended to be a form which in all respects must be rigidly adhered to. Certain essential elements, which are necessary for the protection of the State, must appear in all the original policies, but in other respects it is anticipated that each Association will insert in such policies such stipulations as are prescribed by its own Rules.

### Schedule I.

Standard Form of Policy to be issued by the Association.

THE

ASSOCIATION.

BE IT KNOWN that

(a) *Note 1.*—It is further agreed that if the ship hereby insured shall be captured or seized and shall while such capture or seizure is maintained, come into collision with any other ship or vessel, and the assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums not exceeding in respect of any one such collision the value of the ship hereby insured, and such liability would not be recoverable under the policies and protection referred to in clause 10 hereof, the Association will pay the assured such proportion of three-fourths of such sum or sums so paid as its subscription hereto bears to the value of the ship hereby insured, and in cases in which the liability of the ship has been contested, or proceedings have been taken to limit liability, with the consent in writing of the Association, the Association will also pay a like proportion of three-fourths of the costs which the assured shall thereby incur, or be compelled to pay; but when both vessels are to blame, then unless the liability of the owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities, as if the owners of each vessel had been compelled to pay to the owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the assured in consequence of such collision.

Provided always that this clause shall in no case extend to any sum which the assured may become liable to pay, or shall pay for removal of obstructions under statutory powers, for injury to harbours, wharves, piers, stages and similar structures, consequent on such collision or in respect of the cargo or engagements of the insured vessel, or for loss of life, or personal injury.

as well in                      own name, as  
for and in the name and names  
of all and every other person or  
persons to whom the same doth,  
may, or shall appertain in part  
or in all, doth, subject to the  
provisions hereinafter con-  
tained and referred to, make  
assurance and cause

and them and every of them, to  
be insured lost or not lost, for  
and during the period from

to  
both days inclusive, beginning  
and ending with Greenwich  
mean time. In port and at sea,  
at all times, in all places, and  
on all occasions, services and  
trades whatsoever and where-  
soever, under steam or sail,  
with leave to sail with or with-  
out pilots, to tow and assist  
vessels or craft in all situations,  
and to be towed

upon the Body, Tackle,  
Apparel, Ordnance, Munition,  
Artillery, Boat and other  
Furniture, of and in the good  
Ship or Vessel called the

whereof is Master under God,

or whosoever else shall go for  
Master in the said Ship, or by  
whatsoever other name or  
names the same Ship, or the  
Master thereof, is or shall be  
named or called

in the sum of ...      £  
on Hull, Materials,  
Machinery, Boilers,  
&c., valued at ...      £

Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or Damage of the said Ship, etc., or any part thereof; and in case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said Ship, etc., or any part thereof, without Prejudice to this Insurance; to the charges whereof we, the Insurers, will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

And so we, the Insurers, are contented and do hereby promise and bind ourselves, each one for his own Part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises it being agreed that the Assured, shall in consideration thereof, pay to us The

Association (hereinafter called the Association) the premium and entrance fee in accordance with Article of the Articles of Association of the Association and shall, if and when the same become payable, further pay all the sums and contributions which the Association shall become entitled to call upon the Assured, as a member or members of the Association, to pay to the Association according to the Articles of Association for the time being in force.

(1) THIS POLICY IS SUBJECT TO THE ARTICLES OF ASSOCIATION (a)(Note 2) FOR THE TIME BEING IN FORCE OF THE ASSOCIATION.

(2) THIS INSURANCE IS ONLY TO COVER (a) (Note 3) THE FOLLOWING RISKS, NAMELY:—

(A) The risks of capture, seizure, and detainment by the King's enemies, and the consequences thereof or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war, and

(B) The risks (other than the risks of capture, seizure or detainment by the King's enemies and the consequences thereof or any attempt thereat and the consequences of hostilities or warlike operations by or against the King's enemies) of (a)(Note 4)

but this Insurance shall not be subject to a three per cent. or other franchise. (a)(Note 5.)

Average payable without deduction of thirds, new for old, whether the average be particular or general. (a)(Note 6.)

General average and salvage to be adjusted according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; or if the contract of affreightment so provides, according to York-Antwerp Rules, or, in case of wood cargoes, York-Antwerp Rules omitting the first word of Rule 1 ("No"). (a)(Note 7.)

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(a) For Notes on Policy in Schedule I see p. 68

(3) IN RESPECT OF THE RISKS MENTIONED IN CLAUSE 2 (A), this insurance shall, notwithstanding that the period of this insurance has not expired, apply to the following extent and no further, and shall to the like extent continue to apply notwithstanding that the period of this insurance has expired, namely:—

- (A) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *on a voyage to a British or friendly or neutral port or ports with cargo or passengers*, she shall be held covered until her arrival at the port, or, if more than one, the last of the ports for which she has on board cargo or passengers shipped before war was declared or hostilities were begun, and while in such port for ten clear days after arrival, provided that if such port is not a safe port for her to lie in, or is a friendly port, or, being a neutral port, ceases to be neutral before the expiration of ten clear days after arrival, she shall be further held covered until her arrival at a British port which is a safe port for her to lie in, or at a neutral port which is a safe port for her to lie in and which for ten clear days after her arrival continues to be neutral, and while in such port for ten clear days after arrival.
- (B) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *on a voyage to a British or friendly or neutral port in ballast*, she shall be held covered until her arrival at the port to which she, at the time when war is declared or hostilities are begun, is proceeding in ballast and while in such port for ten clear days after arrival, provided that if such port is not a safe port for her to lie in, or is a friendly port, or, being a neutral port, ceases to be neutral before the expiration of ten clear days after arrival, she shall be further held covered until her arrival at a British port which is a safe port for her to lie in, or at a neutral port which is a safe port for her to lie in and which for ten clear days after her arrival continues to be neutral, and while in such port for ten clear days after arrival.
- (C) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *on a voyage to an enemy's port*, she shall be held covered until her arrival at a British port at which she can discharge her cargo and passengers and which is a safe port for her to lie in, or a neutral port at which she can discharge her cargo and passengers and which is a safe port for her to lie in, and which for ten clear days after her arrival continues to be neutral, and while in such port for ten clear days after arrival.

- (D) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, *is not on a voyage and is in a British port, which is a safe port for the ship to lie in*, she shall be held covered while in that port for ten clear days from the time when war is declared or hostilities are begun.
- (E) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, *is not on a voyage and is in a neutral port which is a safe port for the ship to lie in*, she shall be held covered while in that port for ten clear days from the time when war is declared or hostilities are begun, provided that, if during such ten days such port ceases to be neutral, the ship shall be held covered as provided in paragraph (F) of this clause.
- (F) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, *is not on a voyage and is (1) in a British or neutral port which is not a safe port for the ship to lie in, or (2) is in a neutral port which, before the expiration of ten clear days from the time when war is declared or hostilities are begun, ceases to be neutral, or (3) is in a friendly port, or (4) is in an enemy's port*; she shall be held covered until her arrival at a British port which is a safe port for the ship to lie in, or at a neutral port which is a safe port for the ship to lie in and which for ten clear days after her arrival continues to be neutral, and while in such port for ten clear days after arrival.
- (G) The ship shall be deemed to be on a voyage from the time when she ships cargo or passengers for a voyage or, if in ballast, from the time when she clears in ballast for a voyage.
- (H) The term "a British port" shall mean a port in the British Islands or in a British possession, and the terms "British Islands" and "British Possession" shall have the meaning given them respectively by section 18 of the Interpretation Act, 1889.<sup>(a)</sup> The term "friendly port" shall mean a port of a friendly belligerent.

(4) THE ASSURED WARRANTS that the ship is continuously registered in the United Kingdom. (b)(Note 8.)

(5) THE ASSURED FURTHER WARRANTS:—

A. Note.—*The Association will here insert the warranties applicable to the risks mentioned in clause 2 (B).*

(a) 52 & 53 Vict. c. 63.

(b) For Notes on Policy in Schedule I see p. 68.



B. (1.)—That, when Great Britain is at war, the ship shall comply, so far as possible, with the orders of His Majesty's Government and the directions of the Committee as to routes, ports of call and stoppages.

(2.) That the ship shall leave an enemy's port within the days of grace allowed by the enemy and shall comply with the terms of any pass granted by the enemy.

Provided always that (1) in the event of loss by any of the risks mentioned in clause 2 (A), the breach of any of the warranties mentioned in this clause, other than warranties B (1) and (2), shall not operate to invalidate the insurance or to defeat a claim, and (2) in the event of loss by any of the risks insured against by this policy, the breach of any of the warranties mentioned in this clause, including warranties B (1) and (2), shall not operate to invalidate the insurance or to defeat a claim if the assured can satisfy the Committee (of which the Committee shall be the sole judge) that such breach happened without the fault or privity of the assured and of the owners and managers of the ship or was committed in order to avoid loss by any of the risks mentioned in clause 2 (A).

(6) The Committee shall have the sole right of determining the date at which war is to be deemed to have been declared or hostilities to have been begun and what is and what is not a safe port.

(7) If war is declared or hostilities are begun by or against Great Britain the assured shall give the Committee full information of the employment and position of the ship insured and any other information required by the Committee, and, when Great Britain is neutral, shall at all times give the like information upon demand. (a)(Note 9.)

(8) (A) In the event of a loss by capture, seizure, detention or other like peril, within the risks mentioned in clause 2 (A), the Association shall not be bound to pay any claim in respect thereof until the expiration of 183 days from the date of loss, but if payment is so postponed by the Association it shall pay interest thereon at the rate of four per cent. per annum from the date of loss. Provided always that if before the expiration of such 183 days the ship be recaptured or released or restored to the assured there shall be no claim upon the Association for any loss in respect of or arising out of such capture, seizure, detention or other like peril other than the following, namely, (A) the cost of repair of damage received by the ship by reason of the capture, seizure, detention or other like peril, (B) the expenses incurred in respect of the ship by reason of the capture, seizure, detention or other like peril and the release of the ship, (C) a sum equal to ten per cent. per annum on the insured value hereinbefore mentioned from the date of capture or seizure or beginning of the detention until the date of release.

(B) In the event of a total loss by any of the risks mentioned in clause 2 (A), the amount due hereunder shall be paid by equal

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(a) For Notes on Policy in Schedule I, see p. 68.

instalments at six, nine, and twelve months from the date of loss, but such instalments shall carry interest from the date of loss at the rate of 4 per cent. per annum. (a)(Note 10.)

(9) A SHIP ENTERED IN THIS ASSOCIATION SHALL CEASE TO BE INSURED:—

- (A) From the date of the legal transfer of such ship or a transfer of the management of the ship by the member or his firm unless with the written consent of the Association.
- (B) If default is made in payment of any call within the time fixed according to the Articles of Association.
- (C) If the member becomes bankrupt or insolvent unless before a claim arises an undertaking approved by the Committee and registered by them has been given to pay all contributions due or to become due.
- (D) If any person giving an undertaking under this rule fail to discharge his liability within seven days of notice being posted to him of a claim upon him.

So long as any member is uninsured in consequence of the operation of this clause there shall be no liability on the part of this Association for any previous or subsequent claims but the member shall nevertheless remain liable for contributions for all losses and expenses up to the date fixed by this policy for its expiration. The Committee however may at their discretion admit the claim of such member to the extent of the contributions which he is liable to pay to the intent that such claims may be set off against such contributions. (a)(Note 11.)

(10) The said ship shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's policy (with collision clause attached (a)(Note 12) and containing an

F. C. & S. clause in the following terms:—

Warranted free from capture seizure and detention and the consequences thereof or any attempt thereat barratry piracy riots and civil commotions excepted and also from all consequences of hostilities or warlike operations whether before or after declaration of war,

and to be fully entered in the Protection Association Limited, and no claim whatever against which a ship is deemed to be otherwise insured or protected as aforesaid or against which she is in fact insured or protected by any other insurance policy or Protection Association shall be recoverable under this policy.

(11) In ascertaining whether a ship is a constructive total loss the insured value shall be taken as the repaired value, and nothing in respect of the damaged or breaking up value of the ship shall be taken into account.

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(a) For Notes on Policy in Schedule I, see p. 68.

(12) In the event of total or constructive total loss no claim to be made by the Association for freight or passage moneys, whether notice of abandonment has been given or not. (*Note 13.*)

(13) Prompt notice of any loss, or of the happening of any event, which is likely to give rise to a claim, shall be given in writing to the Association, failing which the Committee may, in their absolute discretion, refuse to admit the claim or make such deduction therefrom as they may think fit. (*Note 14.*)

IN WITNESS whereof the Association have                      at  
the                      day of                      191 .

*Secretary.*

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*Extract from the Articles of Association of The Association.*

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NOTES ON POLICY IN SCHEDULE I.

*Note 1.*—This clause will be omitted if the Association does not cover collision liabilities.

*Note 2.*—Add "and Rules" if the Association has Rules as well as articles.

*Note 3.*—Insert "loss of or damage to the ship hereby insured arising from," if the Association does not insure against salvage and general average.

*Note 4.*—Here specify the risks other than King's Enemy risks which are insured against by the Association.

*Notes 5 and 6.*—The franchise and average clauses will be subject to alteration according to the Rules of the particular Association.

*Note 7.*—The General Average Clause will be omitted, if the Association does not insure against general average, or will be subject to alteration according to the Rules of the particular Association.

*Note 8.*—If the Association insures ships registered in any British Possession the words "or in a British Possession" may be added to this warranty.

*Note 9.*—This requirement may be made more stringent, if the Rules of the Association so require.

*Note 10.*—The Association may add terms as to the payment of losses by the risks mentioned in clause 2 (B).

*Note 11.*—The terms of this clause will be varied or added to according to the Rules of the particular Association.

*Note 12.*—If the Association does not cover collision liabilities, the words "with collision clause attached and" will be omitted. The words "barratry, riots and civil commotions" may also be omitted from the F. C. & S. clause.

*Note 13.* } These clauses will be subject to alteration according to the rules of

*Note 14.* } the particular Association.

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## SCHEDULE II.

Form of Re-insurance Policy to be issued by His Majesty's Government\* under Clause 1.

THE

BE IT KNOWN that

as well in their own name as for and in the name and names of all and every other person or persons to whom the same doth, may, or shall appertain in part or in all, doth, subject to the provisions hereinafter contained and referred to, make assurance with His Majesty's Government\* and cause

and them and every of them, to be insured lost or not lost, for and during the period from to

both days inclusive, beginning and ending with Greenwich mean time. In port and at sea, at all times, in all places, and on all occasions, services and trades whatsoever and wheresoever, under steam or sail, with leave to sail with or without pilots, to tow and assist vessels or craft in all situations, and to be towed

*Note.*—Here insert the same dates as in the Original Policy, *i.e.*, Standard Form Policy.

upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture, of and in the good Ship or Vessel called the

whereof is Master, under God,

or whosoever else shall go for Master in the said Ship, or by whatsoever other name or names the same ship, or the Master thereof, is or shall be named or called, in the sum of £

being

80 per cent. of ... .. £

on Hull, Materials, Machinery,  
Boilers, &c. ... ..

It is further agreed that this Insurance shall cover the liability of the Association under the collision clause in the original policy, if the ship came into collision while captured or seized by the King's Enemies.  
(a) (Note 1.)

\* For the words "His Majesty's Government," words may be substituted denoting some particular department or nominee of His Majesty's Government.

(a) Note 1.—This clause will be omitted if the Association does not cover collision liabilities.

Touching the Adventures and Perils which His Majesty's Government is contented to bear and does take upon itself, they are of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or Damage of the said Ship, etc., or any part thereof; and in case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said Ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof His Majesty's Government will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

**NOW THIS POLICY WITNESSETH** that His Majesty's Government\* takes upon itself the burden of this insurance and promises and binds itself and its successors to the assured, their executors, administrators and assigns, for the true performance of the premises.

**1. THIS INSURANCE IS A REINSURANCE OF THE RISKS** underwritten by the Association Limited, and is subject to the same clauses and conditions as are contained in the form of policy in Schedule I. to the Agreement between the Association and His Majesty's Government dated the , 1914, but:—

(1.) **This Insurance shall cover only** the risk of capture, seizure and detainment by the King's Enemies, and the consequences thereof or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.

(2.) **This Insurance shall apply only** from the time when war is declared or hostilities are begun by or against Great Britain.

(3.) This Insurance shall, notwithstanding that the period of this insurance has not expired, apply to the following extent and no further, and shall to the like extent continue to apply notwithstanding that the period of this insurance has expired, namely:—

(A) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *on a voyage to a British or friendly or neutral port or ports with cargo or passengers*, she shall be held covered until her arrival at the port, or, if more than one, the last of the ports for which she has on board cargo or passengers shipped before war was declared or hostilities were begun, and while in such port for ten clear days after arrival, provided that if such port is not a safe port for the ship to lie in or is a friendly port, or, being a neutral port, ceases to be neutral before the expiration of ten clear days after arrival, she shall be further

held covered until her arrival at a British port which is a safe port for her to lie in, or at a neutral port which is a safe port for her to lie in, and which for ten clear days after her arrival continues to be neutral, and while in such port for ten clear days after arrival.

- (B) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *on a voyage to a British or friendly or neutral port in ballast*, she shall be held covered until her arrival at the port to which she, at the time when war is declared or hostilities are begun, is proceeding in ballast and while in such port for ten clear days after arrival, provided that if such port is not a safe port for the ship to lie in, or is a friendly port, or, being a neutral port, ceases to be neutral, before the expiration of ten clear days after arrival, she shall be further held covered until her arrival at a British port which is a safe port for her to lie in, or at a neutral port which is a safe port for her to lie in and which for ten clear days after her arrival continues to be neutral, and while in such port for ten clear days after arrival.
- (C) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *on a voyage to an enemy's port*, she shall be held covered until her arrival at a British port at which she can discharge her cargo and passengers and which is a safe port for her to lie in, or a neutral port at which she can discharge her cargo and passengers and which is a safe port for her to lie in and which for ten clear days after her arrival continues to be neutral, and while in such port for ten clear days after arrival.
- (D) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *not on a voyage and is in a British port, which is a safe port for the ship to lie in*, she shall be held covered while in that port for ten clear days from the time when war is declared or hostilities are begun.
- (E) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *not on a voyage and is in a neutral port which is a safe port for the ship to lie in*, she shall be held covered while in that port for ten clear days from the time when war is declared or hostilities are begun, provided that, if during such ten days such port ceases to be neutral, the ship shall be held covered as provided in paragraph (F) of this clause.
- (F) If the ship, at the time when war is declared or hostilities are begun by or against the King's enemies, is *not on a voyage and is (1) in a British or neutral port which is not a safe port for the ship to lie in, or (2) is in a neutral port which, before the expiration of*

*ten clear days from the time when war is declared or hostilities are begun, ceases to be neutral, or (3) is in a friendly port, or (4) is in an enemy's port; she shall be held covered until her arrival at a British port which is a safe port for the ship to lie in, or at a neutral port which is a safe port for the ship to lie in and which for ten clear days after her arrival continues to be neutral and while in such port for ten clear days after arrival.*

(G) The ship shall be deemed to be on a voyage from the time when she ships cargo or passengers for a voyage or, if in ballast, from the time when she clears in ballast for a voyage.

(H) The term "a British port" shall mean a port in the British Islands or in a British Possession, and the terms "British Islands" and "British Possessions" shall have the meaning given them respectively by § 18 of the Interpretation Act, 1889.<sup>(a)</sup> The term "Friendly Port" shall mean the Port of a friendly belligerent.

2. This insurance is granted without premium in consideration of the Association as original insurers insuring or having at request of His Majesty's Government\* insured the subject matter of this insurance against the like risks.

3. Valued as in the original policy or policies.

4. To pay as may be paid on the original policy or policies to the extent of eighty per cent. of the liability of the said Association thereon and the settlement of a loss by the Committee of the Association, unless dissented from in writing by the representatives on such Committee of His Majesty's Government,\* to be accepted as final and conclusive.

IN WITNESS whereof the undersigned on behalf of His Majesty's Government have hereunto set their hands the day of 191 .

}

(a) 52 & 53 Vict. c. 63.

\* For the words "His Majesty's Government," words may be substituted denoting some particular department or nominee of His Majesty's Government.

## SCHEDULE III.

Form of Policy to be issued by the Association to cover new Voyages after outbreak of War.

THE  
BE IT KNOWN that

ASSOCIATION.

(a) *Note 1.*—It is further agreed that if the ship hereby insured shall be captured or seized by the King's Enemies and shall, while such capture or seizure is maintained, come into collision with any other ship or vessel, and the assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums not exceeding in respect of any one such collision the value of the ship hereby insured, and such liability would not be recoverable under the policies and protection referred to in clause 9 hereof, the Association will pay the assured such proportion of three-fourths of such sum or sums so paid as its subscription hereto bears to the value of the ship hereby insured, and in cases in which the liability of the ship has been contested, or proceedings have been taken to limit liability, with the consent in writing of the Association, the Association will also pay a like proportion of three-fourths of the costs which the assured shall thereby incur, or be compelled to pay; but when both vessels are to blame, then unless the liability of the owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the owners of each vessel had been compelled to pay to the owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the assured in consequence of such collision.

Provided always that this clause shall in no case extend to any sum which the assured may become liable to pay, or shall pay for removal of obstructions under statutory powers, for injury to harbours, wharves, piers, stages and similar structures, consequent on such collision, or in respect of the cargo or engagements of the insured vessel, or for the loss of life or personal injury.

\* *Note.*—To be used if the insurance is for a round voyage and such insurances are for the time being sanctioned by His Majesty's Government.

as well in own  
name, as for and in the name  
and names of all and every  
other person or persons to  
whom the same doth, may, or  
shall appertain in part or in  
all, doth, subject to the pro-  
visions hereinafter contained  
and referred to, make assurance  
and cause

and them and every of them,  
to be insured lost or not lost,

at and from

to

\*[and thence to

and while there and thence  
to ]

and while there for 30 days  
after arrival or until a succeed-  
ing voyage or Time Policy  
against the risks hereby in-  
sured attaches whichever period  
shall be less

with leave in this voyage to  
proceed and sail to and touch  
and stay at any ports or places  
whatsoever without prejudice  
to this insurance and to sail  
with or without pilots, to tow  
and assist vessels or craft in all  
situations, and to be towed

upon the Body, Tackle, Appa-  
rel, Ordnance, Munition, Ar-  
tillery, Boat, and other Fur-  
niture of and in the good Ship  
or Vessel called the

whereof is Master,

under God,

or whosoever else shall go for  
Master in the said Ship, or  
by whatsoever other name or  
names the same Ship, or the  
Master thereof, is or shall be  
named or called,

in the sum of... £

on Hull, Mate-

rials, Machin-

ery, Boilers,

&c., valued at £



Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or Damage of the said Ship, etc., or any part thereof; and in case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery, of the said Ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof we, the Insurers, will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

And so we, the Insurers, are contented and do hereby promise and bind ourselves, each one for his own part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators and Assigns, for the true Performance of the Premises it being agreed that the Assured, shall in consideration thereof, pay to us The Association (hereinafter called the Association) a premium at and after the rate of , and shall, if and when the same become payable, further pay all the sums and contributions which the Association shall become entitled to call upon the Assured, as a member or members of the Association, to pay to the Association according to the Articles of Association for the time being in force.

Warranted to sail on or before , but in the event of the vessel sailing after that time it is agreed to hold the Assured covered at the rate of premium for the time being fixed by His Majesty's Government.

(1) THIS INSURANCE IS ONLY TO COVER (a)(Note 2) the risks of capture, seizure, and detainment by the King's enemies and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war, but this Insurance shall not be subject to a three per cent. or other franchise. (a)(Note 3.)

Average payable without deduction of thirds, new for old, whether the average be particular or general. (a)(Note 4.)

General average and salvage to be adjusted according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; or if the contract of affreightment so provides, according to York-Antwerp Rules, or, in the case of wood cargoes, York-Antwerp Rules omitting the first word of Rule 1 ("No."). (a)(Note 5.)

(2) THIS POLICY IS SUBJECT TO THE ARTICLES OF ASSOCIATION (a)(Note 6) FOR THE TIME BEING IN FORCE OF THE ASSOCIATION.

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(a) For Notes on Policy in Schedule III., see p. 77.

(3) THE ASSURED WARRANTS that the ship is throughout the voyage registered in the United Kingdom. (a)(Note 7.)

(4) THE ASSURED FURTHER WARRANTS :—

- (A) That the ship shall comply, so far as possible with the orders of His Majesty's Government and the directions of the Committee as to routes, ports of call and stoppages.
- (B) That the ship shall not start on the voyage if ordered by His Majesty's Government not to do so.
- (C) That the ship shall leave an enemy's port within the days of grace allowed by the enemy, and shall comply with the terms of any pass granted by the enemy.
- (D) That the ship shall not enter or leave, or attempt to enter or leave, any port which is known to be blockaded by the enemy.

Provided always that the breach of any of the warranties mentioned in this clause shall not operate to invalidate the insurance or to defeat a claim if the assured can satisfy the Committee (of which the Committee shall be the sole judge) that such breach happened without the fault or privity of the assured and of the owners and managers of the ship.

(5) If the ship is prevented by His Majesty's Government from starting on the voyage the assured may, at his option, require this policy to be cancelled and the premium to be returned.

(6) The assured shall, upon demand, give the Committee full information of the employment and position of the ship insured and any other information required by the Committee.

(7) (I) In the event of a loss by capture, seizure, or detainment, the Association shall not be bound to pay any claim in respect thereof until the expiration of 183 days from the date of loss, but if payment is so postponed by the Association it shall pay interest thereon at the rate of four per cent. per annum from the date of loss. Provided always that if before the expiration of such 183 days the ship be re-captured or released or restored to the assured there shall be no claim upon the Association for any loss in respect of or arising out of such capture, seizure, or detainment other than the following, namely, (A) the cost of repair of damage received by the ship by reason of the capture, seizure, or detainment, (B) the expenses incurred in respect of the ship by reason of the capture, seizure, or detainment and the release of the ship, (C) a sum equal to ten per cent. per annum on the insured value hereinbefore mentioned from the date of capture or seizure or beginning of the detainment until the date of release.

(II) In the event of a total loss under this policy the amount due hereunder to be paid by equal instalments at six, nine, and twelve months from the date of loss, but such instalments shall carry interest from the date of loss at the rate of 4 per cent. per annum.

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(a) For Notes on Policy in Schedule III., see p. 77.

(8) A SHIP ENTERED IN THIS ASSOCIATION SHALL CEASE TO BE INSURED :—

- (A) From the date of the legal transfer of such ship or transfer of the management of the ship by the member or his firm unless with the written consent of the Association.
- (B) If default is made in payment of any call within the time fixed according to the Articles of Association.
- (C) If the member becomes bankrupt or insolvent unless before a claim arises an undertaking approved by the Committee and registered by them has been given to pay all contributions due or to become due.
- (D) If any person giving an undertaking under this rule fail to discharge his liability within seven days of notice being posted to him of a claim upon him.

So long as any member is uninsured in consequence of the operation of this clause there shall be no liability on the part of this Association for any previous or subsequent claims but the member shall nevertheless remain liable for contributions for all losses and expenses up to the date fixed by this policy for its expiration. The Committee however may at their discretion admit the claims of such member to the extent of the contributions which he is liable to pay to the intent that such claims may be set off against such contributions. (a)(Note 8.)

(9) The said ship shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's policy, with collision clause attached (a)(Note 9) and containing an F. C. & S. clause in the following terms :—

Warranted free from capture, seizure, and detention, and the consequences thereof or any attempt thereat, barratry, piracy, riots and civil commotions excepted and also from all consequences of hostilities or warlike operations whether before or after declaration of war.

and to be fully entered in the Protection Association Limited, and no claim whatever against which a ship is deemed to be otherwise insured or protected as aforesaid or against which she is in fact insured or protected by any other insurance policy or Protection Association shall be recoverable under this policy.

(10) In ascertaining whether a ship is a constructive total loss the insured value shall be taken as the repaired value, and nothing in respect of the damaged or breaking up value of the ship shall be taken into account.

(11) In the event of total or constructive total loss no claim to be made by the Association for freight or passage moneys, whether notice of abandonment has been given or not. (a)(Note 10.)

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(a) For Notes on Policy in Schedule III., see p. 77.

(12) Prompt notice of any loss, or of the happening of any event which is likely to give rise to a claim, shall be given in writing to the Association, failing which the Committee may, in their absolute discretion, refuse to admit the claim or make such deductions therefrom as they may think fit. (*Note 11.*)

IN WITNESS whereof the Association have at  
the day of 191 .

*Secretary.*

*Extract from the Articles of Association of The Association.*

### NOTES ON POLICY IN SCHEDULE III.

*Note 1.*—This clause will be omitted if the Association does not cover collision liabilities.

*Note 2.*—Insert “loss of or damage to the ship hereby insured arising from,” if the Association does not insure against salvage and general average.

*Notes 3 and 4.*—The franchise and average clauses will be subject to alteration according to the Rules of the particular Association.

*Note 5.*—The General Average clause will be omitted, if the Association does not insure against general average, or will be subject to alteration according to the Rules of the particular Association.

*Note 6.*—Add “and Rules” if the Association has Rules as well as articles.

*Note 7.*—If the Association insures ships registered in any British Possession the words “or in a British Possession” may be added to this Warranty.

*Note 8.*—The terms of this clause will be varied or added to according to the Rules of the particular Association.

*Note 9.*—If the Association does not cover collision liabilities, the words "with collision clause attached and" will be omitted. The words "barratry, riots and civil commotions" may also be omitted from the F. C. & S. clause.

Note 10. } These clauses will be subject to alteration according to the Rules of the  
Note 11. } particular Association.

SCHEDULE IV.

Form of Policy to be issued by His Majesty's Government\* under Clause 2.

THE

BE IT KNOWN that

(a) *Note 1.*—It is further agreed that this insurance shall cover the liability of the Association under the collision clause in the original Policy.  
† *Note.*—To be used if the insurance is for a round voyage and such insurances are for the time being sanctioned by His Majesty's Government.

as well, in their own name, as for and in the name and names of all and every other person or persons to whom the same doth, may, or shall appertain in part or in all, doth, subject to the provisions hereinafter contained and referred to make assurance with His Majesty's Government\* and cause themselves and them and every of them, to be insured lost or not lost at and from

to

†[and thence to and while there and thence to ]  
and while there for 30 days after arrival or until a succeeding Voyage or Time Policy against the risks hereby insured attaches which-ever period shall be less

upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture of and in the good Ship or Vessel called the

whereof is Master, under God,

or whosoever else shall go for Master in the said Ship, or by whatsoever other name or names the same Ship, or the Master thereof, is or shall be named or called, in the sum of £ being 80 per cent. of ... .. £ on Hull, Materials, Machinery, Boilers, &c.

\* For the words "His Majesty's Government" words may be substituted denoting some particular department or nominee of His Majesty's Government.

(a) *Note 1.*—This clause will be omitted if the Association does not cover collision liabilities

Touching the Adventures and Perils which His Majesty's Government is contented to bear and does take upon itself, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or Damage of the said Ship, etc., or any part thereof; and in case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said Ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof His Majesty's Government will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

Now this Policy witnesseth that His Majesty's Government\* takes upon itself the burden of this Insurance and binds itself and its successors to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises it being agreed that the Assured, shall in consideration thereof, pay to His Majesty's Government\* a premium at and after the rate of

Warranted to sail on or before  
but in the event of the vessel sailing after that time it is agreed to hold the assured covered at the rate of premium for the time being fixed by His Majesty's Government.\*

(1) This insurance is a reinsurance of the risks underwritten by the Association Limited for the voyage herein mentioned, and is subject to the same clauses and conditions as are contained in the form of policy in Schedule III. to the Agreement between the Association and His Majesty's Government dated the 1914, but is to cover only the risks of capture, seizure and detainment by the King's enemies, and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.

(2) Valued as in the original policy or policies.

(3) To pay as may be paid on the original policy or policies to the extent of eighty per cent. of the liability of the said Association thereon and the settlement of a loss by the Committee of the Association, unless dissented from in writing by the representatives on such Committee of His Majesty's Government,\* to be accepted as final and conclusive.

IN WITNESS whereof the undersigned on behalf of His Majesty's Government have hereunto set their hands in London the \_\_\_\_\_ and of 19 .

}

\* For the words "His Majesty's Government" words may be substituted denoting some particular department or nominee of His Majesty's Government.

*Insurance of Hulls :—Reinsurance Agreement for Time.*

(3) SUPPLEMENTAL REINSURANCE AGREEMENT "FOR TIME," AND FIXING BASIS OF VALUATION FOR ALL INSURANCES UNDER THE SCHEME.

SUPPLEMENTAL AGREEMENT BETWEEN THE LIVERPOOL AND LONDON WAR RISKS INSURANCE ASSOCIATION LIMITED OF THE ONE PART AND HIS MAJESTY'S GOVERNMENT OF THE OTHER PART.

WHEREAS this Agreement is supplemental to an Agreement dated the fourth day of August, 1914, and made between the parties hereto (herein called "the principal Agreement"). AND WHEREAS by the principal Agreement it is provided that His Majesty's Government shall insure, as Reinsurers of the Association, in the terms of the Policy set out in Schedule IV. to the principal Agreement any of the ships belonging to Members of the Association and insured by the Association in the terms of the Policy set out in Schedule III. to the principal Agreement for voyages begun after the time when war is declared or hostilities are begun by or against Great Britain. AND WHEREAS it has been agreed between the Parties that such Insurance by His Majesty's Government shall not be limited to Voyage Policies but shall, at the option of the Association, be for Time as hereinafter provided, and that the principal Agreement between the Parties shall be otherwise modified as hereinafter provided.

NOW, THEREFORE, IT IS AGREED between the Parties as follows:—

1. His Majesty's Government agrees to insure, as Reinsurers of the Association, in the terms of the Policy set out in the Schedule hereto marked VI. any of the ships belonging to Members of the Association and insured by the Association for time beginning after the time when war is declared or hostilities are begun by or against Great Britain, and such insurances by His Majesty's Government shall be for such periods and at such rates of premium as may from time to time be fixed by His Majesty's Government and shall cover 80 per cent. of the liability of the Association as original insurers.

2. The original insurances for time by the Association mentioned in the preceding clause shall be in the terms of the Policy set out in the Schedule hereto marked V. with such modifications increasing but not diminishing the protection given by the Association as the Association may think fit provided nevertheless that the liability of His Majesty's Government shall not extend beyond that which would attach under a reinsurance in the terms of the policy set out in Schedule VI. of an original insurance in the terms of the policy set out in Schedule V.

3. The Association shall not charge its members an initial premium at a higher rate than the rate charged by His Majesty's Government and any excess of losses over premiums shall, as between the Association and its Members, be made good by a call upon the Members as may be provided by the Articles of Association or Rules of the Association.

4. Clauses 4 to 11 inclusive and also (subject to clause 5 hereof) clause 3 of the principal Agreement shall be treated as forming part of this Agreement.

5. For the purposes of Insurance and Reinsurance under the principal Agreement and this Agreement the ships insured shall as from midnight on the 9th day of September, 1914, be valued on the following basis, namely, a sum not exceeding the first cost of the vessel, without allowance for the cost of alterations or additions, less depreciation at the rate of 4 per cent. per annum, with a minimum value of Thirty shillings per ton gross register tonnage.

PROVIDED ALWAYS that nothing in this clause contained shall operate to alter the valuation—

- (a) in any insurance under this or the principal Agreement in respect of any loss happening before midnight on the 9th day of September, 1914;
- (or (b) in any insurance upon the terms of the forms of Schedules III. and IV. hereinbefore referred to which is effected before midnight on the 9th day of September, 1914;
- or (c) in any insurance upon the terms of the forms of Schedules V. and VI. hereinbefore referred to, which is effected before midnight on the 9th day of September, 1914, for time beginning before the 10th day of September, 1914.

6. The terms of any of the policies referred to in the principal Agreement and this Agreement may from time to time be varied as may be agreed between the Board of Trade and the Association.

Dated the fourth day of August, 1914.

IN WITNESS whereof the Liverpool and London War Risks Insurance Association Limited hath hereunto caused its Common Seal to be affixed and the President of the Board of Trade for and on behalf of His Majesty's Government hath hereunto set his hand and the Seal of the Board of Trade.

The Common Seal of the Liverpool and London War Risks Insurance Association, Limited, was hereunto affixed in the presence of

A. A. BOOTH, } *Members of the*  
T. ROMER, } *Committee.*



NORMAN HILL, *Secretary.*

Signed by the Right Hon. Walter Runciman, M.P., President of the Board of Trade, the seal of the Board having been duly affixed by his direction, in the presence of } WALTER RUNCIMAN.

R. J. LISTER,

Librarian, Board of Trade,  
7, Whitehall Gardens, S.W.





SCHEDULE V.

Form of Policy to be issued by the Association under Clause 2.  
THE

BE IT KNOWN that

(a) *Note 1.*—It is further agreed that if the ship hereby insured shall be captured or seized and shall, while such capture or seizure is maintained, come into collision with any other ship or vessel, and the assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums not exceeding in respect of any one such collision the value of the ship hereby insured, and such liability would not be recoverable under the policies and protection referred to in clause 9 hereof, the Association will pay the assured such proportion of three-fourths of such sum or sums so paid as its subscription hereto bears to the value of the ship hereby insured, and in cases in which the liability of the ship has been contested, or proceedings have been taken to limit liability, with the consent in writing of the Association, the Association will also pay a like proportion of three-fourths of the costs which the assured shall thereby incur, or be compelled to pay; but when both vessels are to blame, then unless the liability of the owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the owners of each vessel had been compelled to pay to the owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the assured in consequence of such collision. Provided always that this clause shall in no case extend to any sum which the assured may become liable to pay, or shall pay for removal of obstructions under statutory powers, for injury to harbours, wharves, piers, stages and similar structures, consequent on such collision, or in respect of the cargo or engagements of the insured vessel, or for loss of life or personal injury.

as well in                      own name,  
as for and in the name and  
names of all and every other  
person or persons to whom the  
same doth, may, or shall apper-  
tain in part or in all, doth,  
subject to the provision herein-  
after contained and referred to,  
make assurance and cause  
and them and every of them, to  
be insured, lost or not lost, for  
and during the period of  
days from                      on the

                    day of                      191  
to                      on the                      day of  
                    191, begin-  
ing and ending with Greenwich  
mean time. In port and at sea,  
at all times; in all places, and  
on all occasions, services and  
trades whatsoever and where-  
soever, under steam or sail,  
with leave to sail with or with-  
out pilots, to tow and assist  
vessels or craft in all situations,  
and to be towed  
upon the Body, Tackle,  
Apparel, Ordnance, Munition,  
Artillery, Boat and other Fur-  
niture, of and in the good Ship  
or Vessel called the

                    whereof is Master,  
under God,  
or whosoever else shall go for  
Master in the said Ship, or by  
whatsoever other name or  
names the same Ship, or the  
Master thereof, is or shall be  
named or called,

in the sum of                      ... £  
\_\_\_\_\_

on Hull, Mate-  
rials, Machinery,  
Boilers, &c.,  
valued at                      ... £  
\_\_\_\_\_

(a) For Notes on Policy in Schedule V., see p. 86.

Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Lettiscens, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or Damage of the said Ship, etc., or any part thereof; and in case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour or travel for, in and about the Defence, Safeguard, and Recovery of the said Ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof we, the Insurers, will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

And so we, the Insurers, are contented and do hereby promise and bind ourselves, each one for his own Part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises it being agreed that the Assured, shall in consideration thereof, pay to us

Association Limited (hereinafter called the Association) a premium at and after the rate of \_\_\_\_\_ per cent. and shall, if and when the same become payable, further pay all the sums and contributions which the Association shall become entitled to call upon the Assured, as a member or members of the Association, to pay to the Association according to the Articles of Association for the time being in force.

**(1) This Policy is subject to the Articles of Association (a)(Note 2) for the time being in force of the Association.**

**(2) This Insurance is only to cover (a)(Note 3) the risks of capture, seizure, and detainment by the King's enemies, and the consequences thereof or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war, but this Insurance shall not be subject to a three per cent. or other franchise (a)(Note 4).**

Average payable without deduction of thirds, new for old, whether the average be particular or general (a)(Note 5).

General average and salvage to be adjusted according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; or if the contract of affreightment so provides, according to York-Antwerp Rules, or, in case of wood cargoes, York-Antwerp Rules omitting the first word of Rule 1 ("No") (a)(Note 6).

(3) Should the ship be at sea on the expiration of this policy, she shall be held covered at a *pro rata* premium until her arrival at a safe port, and for thirty days after arrival or until a succeeding voyage or time policy against the risks hereby insured attaches, whichever period is less.

(4) **The Assured warrants** that the ship is throughout the insurance registered in the United Kingdom (a)(Note 7).

(5) **The Assured further warrants:—**

- (A) That the ship shall be employed only in commercial trading.
- (B) That the ship shall not engage in any trade prohibited by His Majesty's Government or by the Committee of the Association, and shall comply so far as possible, with the orders of His Majesty's Government and the directions of the Committee as to sailing, routes, ports of call, stoppages, arrival and otherwise.
- (c) That the ship shall leave an enemy's port within the days of grace allowed by the enemy and shall comply with the terms of any pass granted by the enemy.
- (d) That the ship shall not enter or leave, or attempt to enter or leave, any port which is known to be blockaded by the enemy.

Provided always that the breach of any of the warranties mentioned in this clause shall not operate to invalidate the insurance or to defeat a claim if the assured can satisfy the Committee (of which the Committee shall be the sole judge) that such breach happened without the fault or privity of the assured and of the owners and managers of the ship.

(6) The assured shall, upon demand, give the Committee full information of the employment and position of the ship insured and any other information required by the Committee.

(7) (A) In the event of a loss by capture, seizure, or detainment, the Association shall not be bound to pay any claim in respect thereof until the expiration of 183 days from the date of loss, but if payment is so postponed by the Association it shall pay interest thereon at the rate of four per cent. per annum from the date of loss. Provided always that if before the expiration of such 183 days the ship be re-captured or released or restored to the assured there shall be no claim upon the Association for any loss in respect of or arising out of such capture, seizure, or detainment other than the following, namely, (A) the cost of repair of damage received by the ship by reason of the capture, seizure, or detainment, (B) the expenses incurred in respect of the ship by reason of the capture, seizure, or detainment and the release of the ship, (c) a sum equal to ten per cent. per annum on the insured value herein-before mentioned from the date of capture or seizure or beginning of the detainment until the date of release.

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(a) For Notes on Policy in Schedule V., see p. 86.

(B) In the event of a total loss under this policy the amount due hereunder shall be paid by equal instalments at six, nine, and twelve months from the date of loss, but such instalments shall carry interest from the date of loss at the rate of 4 per cent. per annum.

**(8) A ship entered in this Association shall cease to be insured :—**

- (A) From the date of the legal transfer of such ship or a transfer of the management of the ship by the member or his firm unless with the written consent of the Association.
- (B) If default is made in payment of any call within the time fixed according to the Articles of Association.
- (C) If the member becomes bankrupt or insolvent unless before a claim arises an undertaking approved by the Committee and registered by them has been given to pay all contributions due or to become due.
- (D) If any person giving an undertaking under this rule fail to discharge his liability within seven days of notice being posted to him of a claim upon him.

So long as any member is uninsured in consequence of the operation of this clause there shall be no liability on the part of this Association for any previous or subsequent claims but the member shall nevertheless remain liable for contributions for all losses and expenses as provided by the Articles of Association of the Association. The Committee however may at their discretion admit the claim of such member to the extent of the contributions which he is liable to pay to the intent that such claims may be set off against such contributions (*Note 8*).

(9) The said ship shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's policy with collision clause attached (*Note 9*) and containing an F. C. & S. clause in the following terms :—

“ Warranted free from capture, seizure, and detention, and the consequences thereof, or any attempt thereat, bar-ratry, piracy, riots, and civil commotions excepted, and also from all consequences of hostilities or warlike operations, whether before or after declaration of war.”

And to be fully entered in the Protection Association Limited, and no claim whatever against which a ship is deemed to be otherwise insured or protected as aforesaid or against which she is in fact insured or protected by any other insurance policy or Protection Association shall be recoverable under this policy.

(10) In ascertaining whether a ship is a constructive total loss the insured value shall be taken as the repaired value, and nothing in respect of the damaged or breaking up value of the ship shall be taken into account.

(11) In the event of total or constructive total loss no claim to be made by the Association for freight or passage moneys, whether notice of abandonment has been given or not (*Note 10*).

(12) Prompt notice of any loss, or of the happening of any event, which is likely to give rise to a claim, shall be given in writing to the Association, failing which the Committee may, in their absolute discretion, refuse to admit the claim or make such deduction therefrom as they may think fit (*Note 11*).

IN WITNESS whereof the Association have affixed their  
Common Seal at the day of  
191 .

} Members of  
} the Committee.

*Secretary.*

#### NOTES ON POLICY IN SCHEDULE V.

*Note 1.*—This Clause will be omitted if the Association does not cover collision liabilities.

*Note 2.*—Add “and Rules” if the Association has Rules as well as Articles.

*Note 3.*—Insert “loss of or damage to the ship hereby insured arising from” if the Association does not insure against salvage and general average.

*Notes 4 and 5.*—The franchise and average clauses will be subject to alteration according to the Rules of the particular Association.

*Note 6.*—The general average clause will be omitted if the Association does not insure against general average, or will be subject to alteration according to the Rules of the particular Association.

*Note 7.*—If the Association insures ships registered in any British Possession the words “or in a British Possession” may be added to this warranty.

*Note 8.*—The terms of this clause will be varied or added to according to the Rules of the particular Association.

*Note 9.*—If the Association does not cover collision liabilities the words “with collision clause attached” will be omitted. The words “barratry, riots, and civil commotions” may also be omitted from the F. C. & S. clause.

*Notes 10 and 11.*—These clauses will be subject to alteration according to the Rules of the particular Association.

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**'THE**

as well in their own name,  
as for and in the name and names of all and  
every other person or persons to whom the  
same doth, may, or shall appertain in part or  
in all, doth, subject to the provisions herein-  
after contained and referred to, make assur-  
ance with His Majesty's Government and cause  
themselves and them and every of them, to be  
insured lost or not lost, for and during the  
period of                    days from                    on the  
                 day of                    191                    to                    on  
the                    day of                    191  
beginning and ending with Greenwich mean  
time. In port and at sea, at all times, in all  
places, and on all occasions, services and  
trades whatsoever and wheresoever, under  
steam or sail, with leave to sail with or without  
pilots, to tow and assist vessels or craft in all  
situations and to be towed

upon the Body, Tackle, Apparel, Ordnance,  
Munition, Artillery, Boat and other Furniture  
of and in the good Ship or Vessel called the  
whereof is Master,

or whosoever else shall go for Master in the said Ship, or by whatsoever other name or names the same Ship, or the Master thereof, is or shall be named or called, in the sum of 80 (eighty) per cent. of ... .. £

on Hull, Materials, Machinery,  
Boilers, &c.,

Touching the Adventures and Perils which His Majesty's Government is contented to bear and do take upon itself, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or damage of the said Ship, etc., or any part thereof; and in

**(a) *Particular 1.***—This clause will be omitted if the Association does not cover collision liabilities.

case of any Loss or Misfortune it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safe-guard, and Recovery of the said Ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof His Majesty's Government will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed that this Writing or Policy of Assurance shall be of as much Force and Effect as the Surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

Now this policy witnesseth that His Majesty's Government\* takes upon itself the burden of this Insurance and binds itself and its successors to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises it being agreed that the Assured, shall in consideration thereof, pay to His Majesty's Government\* a premium at and after the rate of per cent.

(1) **This Insurance** is a reinsurance of the risks underwritten by the Association Limited for the period herein mentioned and is subject to the same clauses and conditions (including continuation clause) as are contained in the form of policy in Schedule V. to the Agreement between the Association and His Majesty's Government dated the 1914, but is to cover only the risks of capture, seizure, and detainment by the King's enemies and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.

(2) Valued as in the original policy or policies.

(3) To pay as may be paid on the original policy or policies to the extent of eighty per cent. of the liability of the said Association thereon, and the settlement of a loss by the Committee of the Association, unless dissented from in writing by the representatives on such Committee of His Majesty's Government,\* to be accepted as final and conclusive.

IN WITNESS whereof the undersigned on behalf of His Majesty's Government have hereunto set their hands in London the                      day of                      19                      .

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\* For the words "His Majesty's Government," words may be substituted denoting some particular department or nominee of His Majesty's Government.

(4) SUPPLEMENTAL AGREEMENT FOR PAYMENT OF ALLOWANCES TO THE DEPENDANTS OF OFFICERS AND SEAMEN -INTERNEED IN ENEMY COUNTRIES.

SUPPLEMENTAL AGREEMENT BETWEEN THE LIVERPOOL AND LONDON WAR RISKS INSURANCE ASSOCIATION LIMITED (HEREINAFTER CALLED THE ASSOCIATION) OF THE ONE PART AND HIS MAJESTY'S GOVERNMENT OF THE OTHER PART.

WHEREAS the parties hereto have already entered into two Agreements in the terms of the two documents hereto annexed marked " A " and " B " (hereinafter called the Principal Agreements) for the reinsurance by His Majesty's Government of ships belonging to Members of the Association and insured by the Association AND WHEREAS the parties hereto are desirous of making some provision for the dependants of the seamen employed on such ships in the event of capture or detention by the King's Enemies.

NOW THEREFORE IT IS HEREBY AGREED between the parties hereto as follows:—

1. In this Agreement:—

" Insured Ship " means a ship insured by the Association and reinsured by His Majesty's Government and a ship shall be deemed to have been an insured ship during the whole of the period covered by such insurance and reinsurance whenever actually effected.

" Seaman " shall have the meaning assigned thereto in the Merchant Shipping Act 1894<sup>(a)</sup> except that the same shall also include a Master as defined by such Act.

" Dependants " shall have the meaning assigned thereto in the Workmen's Compensation Act 1906<sup>(b)</sup> substituting " Seaman " for " Workman."

2. In the event of the detention or capture by the King's Enemies of any ship which then is or subsequently becomes an insured ship within the meaning of this Agreement the Association shall pay or refund to the member owning such ship the payment of the following allowance to or for the benefit of the dependant or dependants (if any) of any seaman employed or engaged on board of such ship at the time of such capture or detention or some or one of such dependants namely an allowance equal to half the wages of such seaman or £1 per week whichever shall be less but so that only one such allowance shall be payable to or for the benefit of the dependants of such seaman (if more than one). PROVIDED ALWAYS that if and so long as any

(a) 57 & 58 Vict. c. 60.

(b) 6 Edw. 7. c. 58.



part of such seaman's wages are being paid under any allotment note or notes the amount so paid shall be debited against such allowances.

2A. The Committee may if they in their absolute discretion think fit treat any ship which owing to hostilities is unable to leave a neutral or friendly belligerent port in the Baltic or any port in the opinion of the Committee similarly affected by hostilities as in the same position as if it were detained by the King's Enemies and may pay or refund the payment of allowances to the dependants of the seamen employed or engaged on such ship accordingly. Provided always that this clause shall not apply to any ship detained in a port other than a Baltic port without the consent of the representatives of His Majesty's Government on the Committee.

3. The allowances paid under this Agreement shall be paid and borne in the same manner as if the same had been losses covered by the Policies of Insurance and Reinsurance relating to the ships in question and shall accordingly be borne by the fund produced by the premiums paid on the Association's Policies of Insurance against King's enemies risks and if and so far as such fund is insufficient to meet the same after providing for the other payments thereout the deficiency shall be borne as to 80 per cent. by His Majesty's Government and as to 20 per cent. by the Association.

4. An allowance payable to the dependant or dependants of a seaman under this Agreement shall continue so long as such seaman shall in the opinion of the Committee have been actually prevented from providing for his dependants by reason of the capture or detention of the ship on which he was employed or engaged.

5. It shall rest with the Committee of the Association to determine who is or are the dependant or dependants of any seaman entitled to the benefit of any allowance made under this Agreement and if more than one in what shares and proportions and in the case of any infant dependant to whom the same is to be paid and how long any such allowance is to continue.

6. This Agreement shall determine:—

- (A) On the determination of the Principal Agreements or
- (B) On the expiration of three months' notice in writing by either party determining this Agreement whichever shall first happen.

7. This Agreement is conditional on the Association obtaining the necessary powers to carry it into effect either by alteration of its Memorandum of Association in accordance with Section 9 of the Companies (Consolidation) Act 1908(a) or by special provision in the Act of Parliament to be passed for sanction of the

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(a) 8 Edw. 7. c. 69.

Government War Risks Reinsurance Scheme.(a) When this condition has been fulfilled this Agreement shall operate retrospectively as from noon on the 4th August 1914 or any earlier commencement of hostilities by or against the King's Enemies.

Dated the 24th day of November, 1914.

IN WITNESS whereof the Liverpool and London War Risks Insurance Association Limited hath hereunto caused its Common Seal to be affixed and the President of the Board of Trade for and on behalf of His Majesty's Government hath hereunto set his hand and the Seal of the Board of Trade.

The Common Seal of the Liverpool and London War Risks Insurance Association, Limited, was hereunto affixed in the presence of

BRUCE ISMAY, }  
GEO. H. MELLY, } *Members of  
Committee.*



NORMAN HILL, *Manager and Secretary.*

Signed by the Right Hon. Walter Runciman, M.P., President of the Board of Trade, the seal of the Board having been duly affixed by his direction, in the presence of } WALTER RUNCIMAN.

R. J. LISTER,

Librarian, Board of Trade,  
7, Whitehall Gardens, S.W.



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(a) S. 3 of the Government War Obligations Act, 1914 (5 Geo. 5. c. 11, printed at p. 18 of Supplement No. 2), provides that any contract made by any Association for the relief of dependants of persons on insured ships shall, if and so far as the Board of Trade so direct, be deemed to be valid notwithstanding that the making of the contract was beyond the powers of the Association.

**(5) REINSURANCE AGREEMENT FOR OVERSEA SAILING SHIPS ON ARTICLES CURRENT AT THE OUTBREAK OF WAR.**

REINSURANCE AGREEMENT BETWEEN THE WAR RISKS ASSOCIATION LIMITED (HEREINAFTER CALLED "THE ASSOCIATION") OF THE ONE PART AND HIS MAJESTY'S GOVERNMENT OF THE OTHER PART.

WHEREAS the Association was formed in the year 1899 for the purpose of insuring against war risks the vessels which belong to its Members and are entered in the Association.

AND WHEREAS the Association has agreed to insure against the risks of King's Enemies the vessels belonging to its Members and entered in the Association, in consideration of His Majesty's Government undertaking to reinsure the Association as and to the extent hereinafter provided.

AND WHEREAS the Association has furnished to His Majesty's Government a list set out in the First Schedule hereto, of the vessels belonging to its Members and entered in the Association which were engaged upon voyages at the time when war between Great Britain and Germany was declared.

NOW THEREFORE IT IS HEREBY AGREED between the parties as follows:—

1. His Majesty's Government agrees to insure, as reinsurers of the Association, in the terms of the Policy set out in the Third Schedule hereto, any of the vessels mentioned in the First Schedule hereto and any vessels added thereto with the consent of His Majesty's Government which belong to Members of the Association and insured by the Association in the terms of the Policy set out in the Second Schedule hereto, provided that such vessels were engaged upon a voyage at 11 p.m. on the 4th day of August, 1914.

2. Such insurance by His Majesty's Government shall be against the following risks only, namely, the risks of capture, seizure and detainment of the King's enemies, and the consequences thereof or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.

3. Such insurance by His Majesty's Government shall cover Sixty per cent. of the liability of the Association as original insurers in respect of the risks mentioned in clause 2 hereof.

4. Such insurance by His Majesty's Government shall be without premium in consideration of the Association, as original insurers, insuring the vessels against the like risks.

5. For the purposes of insurance and reinsurance under this Agreement the vessels insured shall be valued on the following basis, namely, a sum not exceeding the first cost of the vessel,

without allowance for the cost of alterations or additions, less depreciation at the rate of Three per cent. per annum, with a minimum value of Thirty Shillings per ton gross register tonnage.

6. The Association agrees that it will not charge its Members any premium other than the annual subscription and entrance fee provided by the Articles of Association of the Association, and that any losses shall as between the Association and its members be made good by a call upon the Members as may be provided by the Articles of Association of the Association.

7. His Majesty's Government may appoint two representatives who shall be entitled to attend the meetings of the Committee of the Association.

8. The Association shall at all convenient times permit the representatives of His Majesty's Government to examine the books and documents of or in the possession of the Association relating to the original insurances and any losses and claims thereunder and shall also give all information in the possession of the Association relating thereto and so far as lies in its power produce and procure the production of all books and documents which the Association is entitled to have the production of in connection with the original insurances and any losses and claims thereunder for the examination by such representatives of His Majesty's Government.

9. All settlements and decisions of the Committee of the Association, with the assent in writing of the representatives of His Majesty's Government on any of the following matters, shall be accepted by His Majesty's Government as binding and conclusive and His Majesty's Government agrees to follow and be bound by the same, namely:—

- (A) The settlement of losses and claims attaching to any original policy.
- (B) The decision upon all questions of average deposits and other deposits or contributions and upon all questions of salvage and refund, and generally upon all matters appertaining or incidental to the insurances.

10. His Majesty's Government shall bear and pay its rateable proportion of any expenses incurred by the Association in connection with any loss or claim.

11. As between His Majesty's Government and the Association all moneys payable to the Association in respect of losses, claims, deposits, expenses or otherwise shall be debited in account and all moneys payable by the Association in respect of salvages or otherwise shall be credited in account but if at any time the amount due on balance to the Association exceed Five thousand pounds the excess shall be paid by His Majesty's Government to the Association within seven days of a request for payment by the Association.

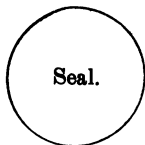
*Insurance of Hulls :—List of Sailing Ships on voyages at  
Outbreak of War.*

12. The accounts between His Majesty's Government and the Association shall be rendered quarterly by the Association to His Majesty's Government within three months after the close of each quarter and the balance due on either side shall be paid within seven days.

13. Where used in this Agreement the expression "vessel" means a sailing vessel which is employed in the oversea trade and the expression "original insurance" means the insurance by the Association of a member of the Association.

Dated this 30th day of November, 1914.

IN WITNESS whereof the War Risks Association hath hereunto caused its Common Seal to be affixed, and the President of the Board of Trade for and on behalf of His Majesty's Government hath hereunto set his hand and the Seal of the Board of Trade.



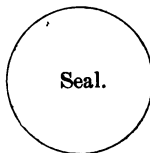
ROBT. R. DOUGLAS, LIMITED,  
*Managers.*

ROBT. R. DOUGLAS,  
*Director.*

Signed by the Right Hon. Walter Runciman, M.P., President of the Board of Trade, the Seal of the Board having been duly affixed by his direction, in the presence of

WALTER RUNCIMAN.

R. W. MATTHEW.



FIRST SCHEDULE.

No. of Entry.	SHIP.	Gross Registered Tons.	No. of Entry.	SHIP.	Gross Registered Tons.
1	Bay of Biscay ...	1,998	9	Drummuir ...	1,844
2	Castleton ...	1,971	10	Birkdale ...	1,483
3	Hilston ...	2,087	11	Wiscombe Park ...	2,228
4	Andromeda ...	1,928	12	Lauriston ...	2,301
5	Queen Elizabeth ...	1,784	13	Gladys ...	1,363
6	Golden Gate ...	2,341	14	Engelhorn ...	2,459
7	Wm. T. Lewis ...	2,166	15	Claverdon ...	2,510
8	Annie M. Reid ...	2,165	16	Archibald Russell ...	2,385

*Insurance of Hulls :—List of Sailing Ships on voyages at  
Outbreak of War.*

95

No. of Entry	SHIP.	Gross Regis- tered Tons.	No. of Entry	SHIP.	Gross Regis- tered Tons.
17	Hougomont ...	2,428	71	Carnmoney ...	1,299
18	Kildalton ...	1,784	72	Cumberland ...	1,849
19	Killoran ...	1,757	73	Edinburgh ...	1,473
20	Kilmeny ...	1,630	74	Falkirk ...	1,986
21	Vimeira ...	2,233	75	Galgorm Castle... ..	1,596
22	Celtic Glen ...	1,941	76	Kilmallie ...	1,634
23	Ainsdale... ..	1,825	77	Monkbarns ...	1,911
24	Ravenhill ...	1,826	78	Westgate ...	1,921
25	Dovenby ...	1,653	79	William Mitchell ...	2,035
26	Alice A. Leigh ...	2,999	80	Belford ...	1,905
27	Galgate ...	2,356	81	Conway Castle ...	1,694
28	Lydgate ...	2,534	82	Dolbadarn Castle ...	1,989
29	Crown of India... ..	2,034	83	Gwydyr Castle ...	1,512
30	Rendova... ..	1,432	84	Islamount ...	1,620
31	Sunlight... ..	1,433	85	Milverton ...	2,215
32	Clackmannanshire ...	1,583	86	Neotsfield ...	1,894
33	Dumfriesshire ...	2,622	87	Penrhyn Castle... ..	1,367
34	Elginshire ...	2,229	88	Afon Alaw ...	2,050
35	Inverness-shire ...	2,307	89	Colony ...	1,750
36	Jordanhill ...	2,291	90	Metropolis ...	1,811
37	Kinross-shire ...	2,299	91	Crocodile ...	2,557
38	Kirkcudbrightshire ...	1,582	92	Boadicea ...	1,938
39	Iverna ...	2,312	93	Isle of Arran ...	1,918
40	Pinmore... ..	2,431	94	Beeswing ...	1,462
41	St. Mirren ...	1,956	95	Harold ...	1,376
42	Inverurie ...	1,417	96	Killarney ...	1,413
43	Invermark ...	1,436	97	Naiad ...	1,907
44	Invergarry ...	1,416	98	Wray Castle ...	1,937
45	Invercauld ...	1,416	99	Hinemoa ...	2,283
46	Inveramsay ...	1,438	100	Howth ...	2,244
47	Inveresk... ..	1,415	101	Juteopolis ...	2,842
48	Inversnaid ...	1,418	102	Chiltonford ...	2,348
49	Invercoe ...	1,421	103	Mount Stewart ...	1,903
50	Inverneill ...	1,470	104	Westfield ...	1,108
51	Invermay ...	1,471	105	Caraid ...	114
52	Inverclyde ...	1,634	106	David Morris ...	161
53	Inverness ...	1,959	107	Ellen James ...	165
54	Inverlyon ...	1,827	108	Elizabeth Eleanor ...	168
55	Inverlogie ...	2,347	109	Elizabeth Pritchard ...	126
56	Holt Hill ...	2,398	110	M. A. James ...	126
57	Glenholm ...	1,968	111	Mary Annie ...	154
58	Bengairn ...	2,127	112	R. J. Owens ...	123
59	Ben Lee ...	2,341	113	Wm. Prichard ...	170
60	Centurion ...	1,828	114	Blodwen ...	129
61	Grenada ...	2,268	115	Gracie ...	126
62	Langdale ...	2,047	116	Jenny Jones ...	151
63	Oweenee ...	2,432	117	Miss Morris ...	156
64	Heathfield ...	1,643	118	Wm. Morton ...	167
65	Renfield ...	1,112	119	John Llewelyn ...	170
66	Celticburn ...	2,655	120	Elizabeth ...	156
67	Eudora ...	1,991	121	Isallt ...	133
68	Tamar ...	2,112	122	A. M. Fox ...	125
69	Dudhope ...	2,086	123	Madeleine Constance ...	418
70	Amulree ...	1,445			

## SECOND SCHEDULE.

Form of Policy to be issued by the Association.

### THE WAR RISKS ASSOCIATION, LIMITED.

#### BE IT KNOWN THAT

as well in \_\_\_\_\_ own name, as for and in the  
name and names of all and every other person or persons to  
whom the same doth, may, or shall appertain in part or in  
all, doth, subject to the provisions hereinafter contained and  
referred to, make assurance and cause \_\_\_\_\_ and  
them and every of them to be insured lost or not lost for  
and during the period from noon on the \_\_\_\_\_ day of  
191\_\_\_\_, to noon on the 1st day of January, 1915,  
beginning and ending with Greenwich mean time. In port  
and at sea, at all times, in all places, and on all occasions,  
services and trades, whatsoever, and wheresoever upon the  
Body, Tackle, Apparel, Ordnance, Munition, Artillery,  
Boat and other Furniture, of and in the sailing vessel called  
the \_\_\_\_\_

in the sum of	...	...	...	...	...	£
on Ship valued at	...	...	...	...	...	£

The assured warrants that the value above-mentioned does not exceed a value ascertained on the following basis, namely, the first cost of the vessel, without allowance for the cost of alterations or additions, less depreciation at the rate of three per cent. per annum, or thirty shillings per ton of the vessel's gross register tonnage, whichever sum shall be greater, and, if this warranty be broken, the value above-mentioned shall be reduced to the value ascertained upon the said basis and the amount insured shall be reduced in proportion to such reduction in value.

Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us, they are, as hereinafter set forth. In case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said Ship, &c., or any part thereof, without Prejudice to this Insurance; to the Charges whereof we, the Insurers, will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

And so we, the Insurers, are contented and do hereby promise and bind ourselves, each one for his own part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators and Assigns, for the true Performance of the Premises it being agreed that the assured shall, in consideration thereof, pay to us THE WAR RISKS ASSOCIATION, LIMITED, (hereinafter

called the Association) the annual subscription and entrance fee in accordance with the Articles of Association of the Association, and shall, if and when the same become payable, further pay all the sums and contributions which the Association shall become entitled to call upon the Assured, as a Member or Members of the Association, to pay to the Association according to the Articles of Association of the Association for the time being in force.

1. This Policy is subject to the Articles of Association for the time being in force of the Association.

2. This Insurance is only to cover the risks of capture, seizure, and detainment by the King's Enemies and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's Enemies, whether before or after declaration of war, but this insurance shall not be subject to a three per cent. or other franchise.

Average payable without deduction of thirds, new for old, whether the average be particular or general.

General Average and Salvage to be adjusted according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; or if the contract of affreightment so provides, according to York-Antwerp Rules, or, in case of wood cargoes, York-Antwerp Rules omitting the first word of Rule 1 ("No").

3. The Assured warrants that the ship is throughout the insurance British owned and registered in the United Kingdom or in a British Possession.

4. The Assured further warrants:—

(A) That the ship shall be employed only in commercial trading.

(B) That the ship shall not be employed in any trade prohibited by His Majesty's Government or by the Committee of the Association.

(C) That the ship shall comply, as far as possible, with the orders of His Majesty's Government and the directions of the Committee as to sailing, routes, ports of call, stoppages, arrival, and otherwise.

(D) That the ship shall leave an enemy's port within the days of grace allowed by the enemy and shall comply with the terms of any pass granted by the enemy.

(E) That the ship shall not enter, or leave, or attempt to enter or leave, any port which is known to be blockaded by the enemy.

(F) That the ship shall not sail from a home port upon a new voyage without the consent in writing of the Committee of the Association.

Provided always that the breach of any of the warranties mentioned in this clause shall not operate to invalidate the insurance or to defeat a claim if the assured can satisfy the Committee (of which the Committee shall be the sole judge) that such breach happened without the fault or privity of the assured and of the owners and managers of the ship.



5. The assured shall give the Committee full information of the employment and position of the ship insured and any other information required by the Committee.

6.—(I) In the event of a loss by capture, seizure, or detainment, the Association shall not be bound to pay any claim in respect thereof until the expiration of 183 days from the date of loss, but if payment is so postponed by the Association, it shall pay interest thereon at the rate of four per cent. per annum from the date of loss. Provided always that if before the expiration of such 183 days the ship be re-captured or released or restored to the assured, there shall be no claim upon the Association for any loss in respect of or arising out of such capture, seizure, or detainment other than the following, namely, (A) the cost of repair of damage received by the ship by reason of the capture, seizure, or detainment, (B) the expenses incurred in respect of the ship, (c) a sum equal to ten per cent. per annum on the insured value hereinbefore mentioned from the date of capture or seizure or beginning of the detainment until the date of release.

(II) In the event of a total loss under this policy the amount due hereunder to be paid by equal instalments at six, nine, and twelve months from the date of loss, but such instalments shall carry interest from the date of loss at the rate of four per cent. per annum.

7. The said ship shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's policy, containing an F. C. & S. clause in the following terms:—

“Warranted free from capture, seizure, and detention, and the consequences thereof, or any attempt thereat, piracy excepted, and from all consequences of hostilities or warlike operations, whether before or after declaration of war.”

and to be fully entered in the P. and I. classes of the Clyde Sailing Ship Owners' Association, Limited, and no claim whatever against which a ship is deemed to be otherwise insured or protected as aforesaid or against which she is in fact insured or protected by any other insurance policy or Protection Association shall be recoverable under this policy.

8. In ascertaining whether a ship is a constructive total loss the insured value shall be taken as the repaired value, and nothing in respect of the damaged or breaking up value of the ship shall be taken into account.

9. In the event of total or constructive total loss no claim to be made by the Association for freight or passage moneys, whether notice of abandonment has been given or not.

10. Prompt notice of any loss, or of the happening of any event which is likely to give rise to a claim, shall be given in writing, to the Association, failing which the Committee may, in their absolute discretion, refuse to admit the claim or make such deduction therefrom as they may think fit.

IN WITNESS whereof the Association have caused their Common Seal to be hereunto affixed at Liverpool the  
day of

### THIRD SCHEDULE.

Form of Re-insurance Policy to be issued by H.M. Government.

BE IT KNOWN THAT THE WAR RISKS ASSOCIATION, LIMITED, as well, in their own names, as for and in the name and names of all and every other person or persons to whom the same doth, may, or shall appertain in part, or in all, doth subject to the provisions hereinafter contained and referred to make assurance with His Majesty's Government and cause themselves and them and every of them, to be insured lost or not lost, for and during the period from 11 p.m. on the 4th day of August, 1914, until the completion of the voyage, upon which the ship was then engaged.

In port or at sea, at all times, in all places, and on all occasions, services and trades, whatsoever and wheresoever

upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture, of and in the Sailing Vessel called the

in the sum of 60 (sixty) per cent. of £

Touching the Adventures and Perils which His Majesty's Government is contented to bear and does take upon itself, they are as hereinafter set forth. In case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof His Majesty's Government will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

Now this Policy witnesseth that His Majesty's Government takes upon itself the burden of this Insurance and promises and binds itself and its successors to the Assured, their Executors, Administrators and Assigns for the true Performance of the Premises.

1. This insurance is a reinsurance of the risks underwritten by THE WAR RISKS ASSOCIATION, LIMITED, for the period herein mentioned, and is subject to the same clauses and conditions as the original policy or policies as and while they respectively apply, but:

- (1) This Insurance shall cover only the risks of capture, seizure and detainment by the King's enemies, and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.

*Insurance of Hulls :—Reinsurance Agreement for Oversea Sailing Ships on New Voyages.*

- (2) This insurance shall apply only if the vessel was engaged upon a voyage at 11 p.m. on the 4th day of August, 1914.
- (3) The vessel shall be deemed to have been engaged upon a voyage at 11 p.m. on the 4th day of August, 1914, if she was then elsewhere than in a port of the United Kingdom with a crew and under an "Agreement with the crew"; and the voyage upon which she was engaged shall be deemed to be completed upon the termination of such Agreement with the crew.
2. This insurance is granted without premium in consideration of the Association as original insurers insuring the subject matter of this insurance against the like risks in a sum whereof sixty per cent. is hereby re-insured.
3. Valued as in the original policy or policies, but if the valuation in the original policy or policies be reduced in accordance with the warranty as to value therein contained, the value for the purpose of this policy shall be reduced accordingly and the amount hereby insured shall be reduced in proportion to such reduction in value.
4. To pay as may be paid on the original policy or policies to the extent of sixty per cent. of the liability of the said Association thereon and the settlement of a loss by the Committee of the Association, with the assent in writing of the representatives on such Committee of His Majesty's Government, to be accepted as final and conclusive.

IN WITNESS whereof the undersigned on behalf of His Majesty's Government have hereunto set their hands in London the                      day of                      19                      .

}

(6.) SUPPLEMENTAL AGREEMENT FOR INSURANCE OF OVERSEA SAILING SHIPS ON NEW VOYAGES.

SUPPLEMENTAL AGREEMENT BETWEEN THE WAR RISKS ASSOCIATION LIMITED OF THE ONE PART AND HIS MAJESTY'S GOVERNMENT OF THE OTHER PART.

WHEREAS this Agreement is supplemental to an Agreement dated the 30th day of November 1914 and made between the parties hereto (herein called "the principal Agreement").

AND WHEREAS by the principal Agreement it is provided that His Majesty's Government shall insure as Reinsurers of the Association, in the terms of the policy set out in the Third Schedule to the principal Agreement any of the vessels belonging

to Members of the Association and insured by the Association in the terms of the policy set out in the Second Schedule to the principal Agreement provided that such vessels were engaged upon a voyage at 11 p.m. on the 4th day of August, 1914.

AND WHEREAS it has been agreed between the parties that such insurance by His Majesty's Government shall not be limited as provided by the principal Agreement but shall be extended as hereinafter provided.

NOW THEREFORE, It is Agreed between the Parties as follows:—

1. The Association agree to reinsure with His Majesty's Government and His Majesty's Government agrees to insure as reinsurers of the Association, in the terms of the Policy set out in the second schedule hereto with such modifications (if any) thereof as may in any case or cases and from time to time be approved by His Majesty's Government, for voyages subsequent to those provided for in the principal Agreement all such of the vessels which shall be valued in accordance with clause 5 of the principal Agreement at over £4,000, belonging to Members of the Association and insured by the Association in the terms of the Policy set out in the first schedule hereto with such modifications (if any) thereof as may in any case or cases and from time to time be approved by His Majesty's Government.

2. Any risk to be insured by His Majesty's Government shall be declared in writing by the Association to His Majesty's Government forthwith after the receipt by the Association from its member of advice of such risk.

3. Such insurance by His Majesty's Government—

(a) Shall be at such rates of premium as shall from time to time be fixed by His Majesty's Government and notified to the Association.

(b) Shall be at the rate applicable to the voyage to be insured at the time when the ship actually sails.

4. His Majesty's Government may give notice in writing to the Association of any voyages for which His Majesty's Government is not prepared to insure, and shall not be bound to insure any vessel for any such voyage unless the vessel has actually sailed on such voyage and the risk has been declared by the Association to His Majesty's Government before the receipt by the Association of the notice applicable to such voyage, provided always that His Majesty's Government shall not refuse to insure if satisfied that the ship sailed on such voyage before the Association, after receipt of such notice, was able, using due diligence in that behalf, to forbid the sailing.

5. Such insurance by His Majesty's Government shall in respect of any vessel insured cover the excess of the value as ascertained in accordance with clause 5 of the principal Agreement over the sum of £4,000 or sixty per cent. of such value whichever amount shall be the less.

*Insurance of Hulls :—Reinsurance Agreement for Oversea Sailing  
Ships on New Voyages.*

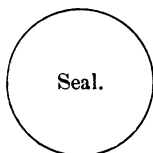
6. The Association agrees that it will not charge its Members in respect of any voyages reinsured by His Majesty's Government under this Agreement an initial premium at a higher rate than the rate charged by His Majesty's Government and that any excess of losses over premiums shall as between the Association and its Members be made good by a call upon the Members as may be provided by the Articles of Association of the Association.

7. Clauses 2, 5, 7, 8, 9, 10, 11, 12, and 13 of the principal Agreement shall be treated as forming part of this Agreement.

8. This Agreement may be determined at any time by six months notice in writing on either side and shall if not previously determined determine on the conclusion of peace in the present war but notwithstanding such determination His Majesty's Government shall continue to be bound to reinsure the Association in respect of any voyage on which a vessel shall have actually sailed or the risk on which shall have been declared by the Association to His Majesty's Government before such determination.

Dated the eighth day of December 1914.

IN WITNESS whereof the War Risks Association hath hereunto caused its Common Seal to be affixed, and the President of the Board of Trade for and on behalf of His Majesty's Government hath hereunto set his hand and the Seal of the Board of Trade.



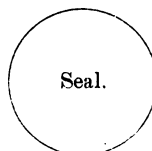
ROBT. R. DOUGLAS, LIMITED,  
*Managers.*

ROBT. R. DOUGLAS,  
*Director.*

Signed by the Right Hon. Walter Runciman, M.P., President of the Board of Trade, the Seal of the Board of Trade having been duly affixed by his direction in the presence of

WALTER RUNCIMAN.

R. W. MATTHEW,  
7, Whitehall Gardens,  
S.W.



SCHEDULE 1.

Form of policy to be issued by the Association.

WAR RISKS ASSOCIATION, LIMITED.

BE IT KNOWN THAT

as well in own name as for and in the  
name and names of all and every other person or persons to  
whom the same doth, may or shall appertain in part or in  
all, doth, subject to the provisions hereinafter contained and  
referred to, make assurance and cause and  
them and every of them to be insured lost or not lost for  
and during the period from noon on the day of  
191, to noon on the 1st day of January, 191,  
beginning and ending with Greenwich mean time. In port  
and at sea at all times, in all places and on all occasions,  
services and trades, whatsoever, and wheresoever upon the  
Body, Tackle, Apparel, Ordnance, Munition, Artillery,  
Boat and other Furniture of and in the sailing vessel called  
the

in the sum of	...	...	...	...	...	£
on Ship valued at	...	...	...	...	...	£

The assured warrants that the value above-mentioned does not exceed a value ascertained on the following basis, namely, the first cost of the vessel without allowance for the cost of alterations or additions, less depreciation at the rate of Three per cent. per annum or thirty shillings per ton of the vessel's gross register tonnage, whichever sum shall be greater and, if this warranty be broken, the value above-mentioned shall be reduced to the value ascertained upon the said basis and the amount insured shall be reduced in proportion to such reduction in value.

Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us, they are as hereinafter set forth. In case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants, and Assigns to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said Ship, &c., or any part thereof, without prejudice to this Insurance; to the Charges whereof, we, the Insurers, will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured shall be considered as a waiver or acceptance of abandonment. And it is agreed by us the Insurers that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street or in the Royal Exchange or elsewhere in London.

And so we, the Insurers, are contented and do hereby promise and bind ourselves each one for his own part our Heirs Executors and Goods to the Assured their Executors Administrators and Assigns for the true performance of the Premises it being agreed that the Assured shall in consideration thereof, pay to us, THE WAR RISKS ASSOCIATION LIMITED (hereinafter called the Association) the annual subscription and entrance fee in accordance with the Articles of Association of the Association, and shall if and when the same become payable, further pay all the sums and contributions which the Association shall become entitled to call

*Insurance of Hulls:—Associations' Policy for Oversea Sailing Ships on New Voyages.*

upon the Assured as a Member or Members of the Association to pay to the Association according to the Articles of Association of the Association for the time being in force.

1. This Policy is subject to the Articles of Association for the time being in force of the Association.

2. This Insurance is only to cover the risks of capture seizure and detainment by the King's Enemies, and the consequences thereof, or any attempt thereat and all consequences of hostilities or warlike operations by or against the King's Enemies whether before or after declaration of war, but this insurance shall not be subject to a three per cent. or other franchise.

Average payable without deduction of thirds, new for old, whether the average be particular or general.

General Average and Salvage to be adjusted according to the law and practice obtaining at the place where the adventure ends as if the contract of affreightment contained no special terms upon the subject; or if the contract of affreightment so provides, according to York Antwerp Rules or in case of wood cargoes York Antwerp Rules omitting the first word of Rule 1 ("No").

3. The Assured warrants that the ship is throughout the insurance British owned and registered in the United Kingdom or in a British Possession.

4. The Assured further warrants—

- (A) That the ship shall be employed only in commercial trading.
- (B) That the ship shall not be employed in any trade prohibited by His Majesty's Government or by the Committee of the Association.
- (C) That the ship shall comply as far as possible with the Orders of His Majesty's Government and the Directions of the Committee as to sailing, routes, ports of call, stoppages, arrival, and otherwise.
- (D) That the ship shall leave an enemy's port within the days of grace allowed by the enemy and shall comply with the terms of any pass granted by the enemy.
- (E) That the ship shall not enter or leave, or attempt to enter or leave any port which is known to be blockaded by the enemy.
- (F) That the ship shall not sail from a home port upon a new voyage without the consent in writing of the Committee of the Association.

Provided always that the breach of any of the warranties mentioned in this clause shall not operate to invalidate the insurance or to defeat a claim if the assured can satisfy the Committee (of which the Committee shall be the sole judge) that such breach happened without the fault or privity of the assured and of the owners and managers of the ship.

5. The assured shall give the Committee full information of the employment and position of the ship insured and any other information required by the Committee.

6.—(I) In the event of a loss by capture, seizure, or detainment, the Association shall not be bound to pay any claim in

respect thereof, until the expiration of 183 days from the date of loss, but if payment is so postponed by the Association it shall pay interest thereon at the rate of four per cent. per annum from the date of loss. Provided always that if before the expiration of such 183 days the ship be re-captured or released or restored to the assured, there shall be no claim upon the Association for any loss in respect of or arising out of such capture, seizure or detainment other than the following, namely, (A) the cost of repair of damage received by the ship by reason of the capture, seizure, or detainment, (B) the expenses incurred in respect of the ship by reason of the capture, seizure, or detainment and the release of the ship, (C) a sum equal to ten per cent. per annum on the insured value hereinbefore mentioned from the date of capture or seizure or beginning of the detainment until the date of release.

(II) In the event of a total loss under this policy the amount due hereunder to be paid by equal instalments at six, nine, and twelve months from the date of loss but such instalments shall carry interest from the date of loss at the rate of four per cent. per annum.

7. The said ship shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's Policy containing an F. C. & S. clause in the following terms:—

“Warranted free from capture, seizure, and detention and the consequences thereof of any attempt thereat, piracy excepted, and from all consequences of hostilities or warlike operations whether before or after declaration of war.”

and to be fully entered in the P. and I. classes of the Clyde Sailing Ship Owners' Association, Limited, and no claim whatever against which a ship is deemed to be otherwise insured or protected as aforesaid, or against which she is in fact insured or protected by any other insurance policy, or Protection Association shall be recoverable under this policy.

8. In ascertaining whether a ship is a constructive total loss the insured value shall be taken as the repaired value and nothing in respect of the damaged or breaking up value of the ship shall be taken into account.

9. In the event of total or constructive total loss no claim to be made by the Association for freight or passage moneys whether notice of abandonment has been given or not.

10. Prompt notice of any loss or of the happening of any event which is likely to give rise to a claim shall be given in writing to the Association, failing which the Committee may in their absolute discretion refuse to admit the claim or make such deduction therefrom as they may think fit.

IN WITNESS whereof the Association have caused their Common Seal to be hereunto affixed at Liverpool the                      day of

191 .

Managers.

Director.



## SCHEDULE 2.

Form of Re-insurance Policy to be issued by His Majesty's Government.

BE IT KNOWN THAT THE WAR RISKS ASSOCIATION, LIMITED, as well in their own names, as for and in the name and names of all and every other person or persons to whom the same doth may or shall appertain in part, or in all, doth subject to the provisions hereinafter contained and referred to make assurance with His Majesty's Government and cause themselves and them and every of them to be insured lost or not lost at and from \_\_\_\_\_ to \_\_\_\_\_ and while there for 30 days after arrival or until a succeeding Policy of insurance by His Majesty's Government against the risks hereby assured attaches whichever period shall be less upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture of and in the Sailing Vessel called the \_\_\_\_\_ in the sum of £ \_\_\_\_\_ (excess of £4,000) on Ship valued at £ \_\_\_\_\_.

Touching the adventures and perils which His Majesty's Government is contented to bear and does take upon itself they are as hereinafter set forth. In case of any loss or misfortune it shall be lawful for the Assured their Factors, Servants and Assigns to sue, labour and travel for in and about the defence safeguard and recovery of the said ship, etc., or any part thereof without prejudice to this Insurance; to the Charges whereof His Majesty's Government will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment. And it is agreed that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street or in the Royal Exchange or elsewhere in London.

Now this Policy witnesseth that His Majesty's Government takes upon itself the burden of this Insurance and promises and binds itself and its successors to the Assured their Executors Administrators and Assigns, for the true performance of the Premises it being agreed that the assured shall in consideration thereof pay to His Majesty's Government a premium at and after the rate of \_\_\_\_\_.

1. This insurance is a reinsurance of the risks underwritten by THE WAR RISKS ASSOCIATION, LIMITED, and is subject to the same clauses and conditions as the original policy or policies as and while they respectively apply, but:

- (1) This Insurance shall cover only the risks of capture, seizure and detainment by the King's Enemies and the consequences thereof, or any attempt thereat and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.
- (2) This Insurance shall apply only during the voyage above described.
- (3) Valued as in the original policy or policies, but if the valuation in the original policy or policies be reduced in accordance with the warranty as to value therein

contained the value for the purposes of this policy shall be reduced accordingly and the amount hereby insured shall be reduced so as to cover only the excess of such reduced value over the sum of £4,000 or 60 per cent. of such reduced value whichever amount shall be the less.

- (4) To pay as may be paid on the original policy or policies to the extent of the amount insured under this Policy and the settlement of a loss by the Committee of the Association with the assent in writing of the representatives on such Committee of His Majesty's Government to be accepted as final and conclusive.

IN WITNESS whereof the undersigned on behalf of His Majesty's Government have hereunto set their hands in London the        day of        191 .

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(7) REINSURANCE AGREEMENT RELATING TO FISHING VESSELS.

REINSURANCE AGREEMENT BETWEEN THE BRITISH FISHING VESSELS WAR RISKS INSURANCE ASSOCIATION LIMITED (HEREINAFTER CALLED "THE ASSOCIATION") OF THE ONE PART AND HIS MAJESTY'S GOVERNMENT OF THE OTHER PART.

WHEREAS the Association has been formed for the purpose of insuring against the war risks hereinafter mentioned the steamships engaged in the fishing trade which belong to its Members and are entered in the Association.

AND WHEREAS His Majesty's Government is desirous on grounds of public safety that while Great Britain is at war British trawlers should not be laid up or the fishing trade interrupted.

AND WHEREAS the Association on behalf of its Members has agreed that the trawlers as hereinafter defined belonging to its Members shall so far as possible continue to be employed in sea fishing in consideration of His Majesty's Government undertaking to reinsure the Association as and to the extent hereinafter provided.

NOW THEREFORE IT IS HEREBY AGREED between the parties as follows:—

1. His Majesty's Government agrees to insure, as reinsurers of the Association, in the terms of the Policy set out in the Schedule hereto, marked B, any of the trawlers belonging to Members of the Association and insured by the Association in the terms of the Policy set out in the Schedule hereto marked A for time beginning after the time when war is declared or hostilities are begun by or against Great Britain.

2. Such insurance by His Majesty's Government shall be against the following risks only, namely, the risks of capture, seizure and detainment of the King's enemies, and the consequences thereof or any attempt thereat, and all consequences of

hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.

3. Such insurance by His Majesty's Government shall cover Eighty per cent. of the liability of the Association as original insurers in respect of the risks mentioned in clause 2 hereof.

4. Such insurances by His Majesty's Government shall be for such periods and at such rates of premium as may from time to time be fixed by His Majesty's Government, but unless otherwise specially agreed between the Association and His Majesty's Government the full premium for a period shall be payable in respect of any trawler insured for the whole or any part thereof.

5. For the purposes of insurance and reinsurance under this Agreement the trawlers insured shall be valued on the following basis, namely, a sum not exceeding the first cost of the trawler, without allowance for the cost of alterations or additions, less depreciation at the rate of Four per cent. per annum, provided that if the value of any trawler so calculated is less than £2,000, the trawler shall be valued at a sum equal to the insured value on which it was on the 31st day of July, 1914, insured against sea perils in the Insurance Club or Association in which it is entered or the sum of £2,000, whichever shall be less.

6. The Association undertakes to insure as original insurers One hundred per cent. of the insured value of each of the trawlers insured by it, and to retain for its own account Twenty per cent. of each original insurance.

7. The Association agrees that it will not charge its Members an initial premium at a higher rate than the rate charged by His Majesty's Government and that any excess of losses over premiums shall as between the Association and its Members be made good by a call upon the Members as may be provided by the Articles of Association or Rules of the Association.

8. The Association shall keep His Majesty's Government advised of all original insurances in respect of which His Majesty's Government is bound to reinsure the Association and His Majesty's Government shall as requested issue reinsurance policies accordingly.

9. It shall be a condition of this Agreement that the Committee of the Association shall be constituted in such manner as shall be approved by His Majesty's Government and His Majesty's Government may appoint such representatives as it shall think fit who shall be entitled to attend the meetings of the Committee of the Association.

10. The Association shall procure for the inspection of the representatives of His Majesty's Government the original policies issued by the Association and shall at all convenient times permit such representatives to examine the books and documents of or in the possession of the Association relating to the original insurances and any losses and claims thereunder and shall also give all information in the possession of the Association relating thereto and so far as lies in its power produce and procure the production of all books and documents which the Association is entitled to

have the production of in connection with the original insurances and any losses and claims thereunder for the examination by such representatives of His Majesty's Government.

11. All settlements and decisions of the Committee of the Association, with the assent in writing of the representatives or a majority of the representatives (if more than two) of His Majesty's Government on any of the following matters, shall be accepted by His Majesty's Government as binding and conclusive and His Majesty's Government agrees to follow and be bound by the same, namely:—

- (A) The settlement of losses and claims attaching to any original policy.
- (B) The decision upon all questions of average deposits and other deposits or contributions and upon all questions of salvage and refund, and generally upon all matters appertaining or incidental to the insurances.

12. His Majesty's Government shall bear and pay its rateable proportion of any expenses incurred by the Association in connection with any loss or claim.

13. As between His Majesty's Government and the Association all moneys payable to the Association in respect of losses claims deposits expenses or otherwise shall be debited in account and all moneys payable by the Association in respect of premiums salvages or otherwise shall be credited in account but if at any time the amount due on balance to the Association exceeds Ten thousand pounds the excess shall be paid by His Majesty's Government to the Association within seven days of a request for payment by the Association.

14. The accounts between His Majesty's Government and the Association shall be rendered quarterly by the Association to His Majesty's Government within three months after the close of each quarter and the balance due on either side shall be paid within seven days.

15. The Association undertakes:—

- (A) That, upon receiving any such notices of prohibition and orders of His Majesty's Government as are referred to in clause (5) of the policy set out in Schedule A hereto, it will communicate the same to the original assured immediately upon and to the master of the insured trawler as soon as possible after receipt thereof, and
- (B) That it will, so far as lies in its power, procure the owners and masters of all insured trawlers to give to such persons as His Majesty's Government may appoint to receive the same such information and at such times as may by such persons be required in reference to the employment and movements of the trawlers.

16. Where used in this Agreement the expression "trawler" means a fishing boat which is a steam trawler or a steam liner or a steam drifter and the expression "original insurance"

*Insurance of Hulls :—Reinsurance Agreement for Fishing Vessels.*

means the insurance by the Association of a Member of the Association.

17. Before the expiration of the first or any subsequent period of insurance the rate of premium fixed for that period shall be reconsidered with a view to seeing whether in the light of the losses incurred or likely to be incurred the premium for any subsequent period can be reduced or whether the premium for any subsequent period ought to be increased.

18. Nothing herein contained shall bind His Majesty's Government to continue the insurance beyond the first period of insurance fixed by it.

Dated the fourth day of September, One thousand nine hundred and fourteen.

IN WITNESS whereof the British Fishing Vessels War Risks Insurance Association Limited hath hereunto caused its Common Seal to be affixed and the President of the Board of Trade for and on behalf of His Majesty's Government hath hereunto set his hand and the Seal of the Board of Trade.

The Common Seal of the British Fishing Vessels War Risks Insurance Association Limited was hereunto affixed in the presence of

J. H. ROBINS                    }  
J. McCANN                    }  
  *Members*  
  *of*  
  *Committee.*



Countersigned

HENRY ARCHER,  
*Secretary.*

Signed by the Right Honourable  
Walter Runciman, Member of Par-  
liament, President of the Board of  
Trade, the Seal of the Board having  
been duly fixed by his direction in  
the presence of

}

WALTER RUNCIMAN.

ROBERT JOHN LISTER,  
*Librarian,*  
Board of Trade,  
Whitehall Gardens, S.W.



Schedule A.

Form of Policy to be issued by the Association to cover Time on Fishing Voyages begun after Declaration of War.

THE BRITISH FISHING VESSELS WAR RISKS INSURANCE ASSOCIATION, LIMITED.

BE IT KNOWN that

as well in own name, as for and in the name and names of all and every other person or persons to whom the same doth, may, or shall appertain in part or in all, doth, subject to the provisions hereinafter contained and referred to, make assurance and cause

and them and every of them to be insured lost or not lost for and during the period of days from noon on the day of 191, to noon on the day of 191, beginning and ending with Greenwich mean time. In port and at sea.

upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture, exclusive of nets and fishing gear, of and in the Steam called the

in the sum of ... .. £  
on Hull, Materials, Machinery, Boilers, &c.,  
valued at ... .. £

Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us, they are, as hereinafter set forth. In case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said Ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof we, the Insurers, will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

And so we, the Insurers, are contented and do hereby promise and bind ourselves, each one for his own part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators and Assigns, for the true Performance of the Premises it being agreed that the Assured shall, in consideration thereof, pay to us The British Fishing Vessels War Risks Insurance Association, Ltd. (hereinafter called the Association) a premium at and after the rate of per cent., and shall, if and when the same become payable, further pay all the sums and contributions which the Association shall become entitled to call upon the Assured, as a Member or Members of the Association, to pay to the Association according to the Articles of Association and Rules of the Association for the time being in force.

*Insurance of Hulls:—Associations' Policy for Time on Fishing Voyages.*

(1) THIS INSURANCE IS ONLY TO COVER **the risks of capture, seizure, and detainment by the King's Enemies and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's Enemies, whether before or after declaration of war,** but this insurance shall not be subject to a three per cent. or other franchise.

Average payable without deduction of thirds, new for old, whether the average be particular or general.

(2) THIS POLICY IS SUBJECT TO THE ARTICLES OF ASSOCIATION AND RULES FOR THE TIME BEING IN FORCE OF THE ASSOCIATION.

(3) Should the ship be at sea on the expiration of this policy, she shall be held covered at a *pro rata* premium until her arrival at a safe port and for 72 hours after arrival or until a succeeding time policy against the risks hereby insured against attaches, whichever period is less.

(4) THE ASSURED WARRANTS that the ship is throughout the insurance British owned and registered in the United Kingdom.

(5) THE ASSURED FURTHER WARRANTS:—

(A) That the ship shall be employed only in sea fishing.

(B) That the ship shall not be employed in any area prohibited by His Majesty's Government or by the Committee of the Association.

(C) That the ship shall comply, as far as possible, with the orders of His Majesty's Government and the directions of the Committee as to sailing, routes, ports of call, stoppages, arrival, manning, equipment and otherwise.

(D) That the ship shall leave an enemy's port within the days of grace allowed by the enemy and shall comply with the terms of any pass granted by the enemy.

(E) That the ship shall not enter, or leave, or attempt to enter or leave, any port which is known to be blockaded by the enemy.

Provided always that the breach of any of the warranties mentioned in this clause shall not operate to invalidate the insurance or to defeat a claim if the assured can satisfy the Committee (of which the Committee shall be the sole judge) that such breach happened without the fault or privity of the assured and of the owners and managers of the ship.

(6) The assured shall, upon demand, give the Committee full information of the employment and position of the ship insured and any other information required by the Committee.

(7)—(I) In the event of a loss by capture, seizure, or detainment, the Association shall not be bound to pay any claim in respect thereof until the expiration of 183 days from the date of loss, but if payment is so postponed by the Association it shall pay interest thereon at the rate of four per cent. per annum

from the date of loss. Provided always that if before the expiration of such 183 days the ship be re-captured or released or restored to the assured there shall be no claim upon the Association for any loss in respect of or arising out of such capture, seizure, or detainment other than the following, namely, (A) the cost of repair of damage received by the ship by reason of the capture, seizure, or detainment, (B) the expenses incurred in respect of the ship by reason of the capture, seizure, or detainment and the release of the ship, (C) a sum equal to ten per cent. per annum on the insured value hereinbefore mentioned from the date of capture or seizure or beginning of the detainment until the date of release.

(II) In the event of a total loss under this policy the amount due hereunder to be paid by equal instalments at six, nine, and twelve months from the date of loss, but such instalments shall carry interest from the date of loss at the rate of 4 per cent. per annum.

(8) A SHIP ENTERED IN THIS ASSOCIATION SHALL CEASE TO BE INSURED :—

(A) From the date of the legal transfer of such ship or transfer of the management of the ship by the member or his firm unless with the written consent of the Association.

(B) If default is made in payment of any call within the time fixed according to the Articles of Association.

(C) If the member becomes bankrupt or insolvent unless before a claim arises an undertaking approved by the Committee and registered by them has been given to pay all contributions due or to become due.

(D) If any person giving an undertaking under this rule fail to discharge his liability within seven days of notice being posted to him of a claim upon him.

So long as any member is uninsured in consequence of the operation of this clause there shall be no liability on the part of this Association for any previous or subsequent claims but the member shall nevertheless remain liable for contributions for all losses and expenses as provided by the Articles of Association of the Association. The Committee however may at their discretion admit the claims of such member to the extent of the contributions which he is liable to pay to the intent that such claims may be set off against such contributions.

(9) The said ship shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's policy, with collision clause attached and containing an F. C. & S. clause in the following terms :—

“Warranted free from capture, seizure, and detention, and the consequences thereof, or any attempt thereat, barratry, piracy, riots and civil commotions excepted, and also from all consequences of hostilities or warlike operations, whether before or after declaration of war.”



*Insurance of Hulls :—Government Policy for Time on Fishing Voyages.*

and to be fully entered in the Hull Steam Trawlers Mutual Insurance and Protecting Company, Limited, excluding the risks mentioned in clause 1 hereof which are or may be covered in the said Company; and no claim whatever against which a ship is deemed to be otherwise insured or protected as aforesaid or against which she is in fact insured or protected by any other insurance policy or Protection Association shall be recoverable under this policy.

(10) In ascertaining whether a ship is a constructive total loss the insured value shall be taken as the repaired value, and nothing in respect of the damaged or breaking up value of the ship shall be taken into account.

(11) In the event of total or constructive total loss no claim to be made by the Association for freight or passage moneys, whether notice of abandonment has been given or not.

(12) Prompt notice of any loss, or of the happening of any event which is likely to give rise to a claim, shall be given in writing to the Association, failing which the Committee may, in their absolute discretion, refuse to admit the claim or make such deduction therefrom as they may think fit.

IN WITNESS whereof the Association have  
at                      the                      day of                      191 .

}

*Secretary.*

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**SCHEDULE B.**

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Form of Re-Insurance Policy to be issued by H.M. Government to cover Time on Fishing Voyages begun after Declaration of War.

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BE IT KNOWN that THE BRITISH FISHING VESSELS WAR RISKS INSURANCE ASSOCIATION, LIMITED, as well, in their own name, as for and in the name and names of all and every other person or persons to whom the same doth, may, or shall appertain in part, or in all, doth subject to the provisions hereinafter contained and referred to make assurance with His Majesty's Government and cause themselves and them and every of them, to be insured lost or not lost, for and during the period of                      days from noon

on the                      day of                      191 to noon on the  
                                 day of                      191 beginning and ending  
with Greenwich mean time. In port or at sea,  
upon the Body, Tackle, Apparel, Ordnance, Munition,  
Artillery, Boat and other Furniture, exclusive of nets and  
fishing gear, of and in the Steam                      called the

in the sum of 80 (eighty) per cent. of £

Touching the Adventures and Perils which His Majesty's Government is contented to bear and does take upon itself, they are as hereinafter set forth. In case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said ship, etc., or any part thereof, without Prejudice to this Insurance; to the Charges whereof His Majesty's Government will contribute. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

Now this Policy witnesseth that His Majesty's Government takes upon itself the burden of this Insurance and binds itself and its successors to the Assured, their Executors, Administrators and Assigns, for the true Performance of the Premises it being agreed that the Assured shall, in consideration thereof, pay to His Majesty's Government a premium at and after the rate of per cent.

(1) This insurance is a reinsurance of the risks underwritten by THE BRITISH FISHING VESSELS WAR RISKS ASSOCIATION, LIMITED, for the period herein mentioned, and is subject to the same clauses and conditions (including continuation clause) as the original policy or policies, but is **to cover only the risks of capture, seizure and detainment by the King's enemies, and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's enemies, whether before or after declaration of war.**

(2) Valued as in the original policy or policies.

(3) To pay as may be paid on the original policy or policies to the extent of eighty per cent. of the liability of the said Association thereon and the settlement of a loss by the Committee of the Association, with the assent in writing of the representatives or a majority of the representatives (if more than two) on such Committee of His Majesty's Government, to be accepted as final and conclusive.

IN WITNESS whereof the undersigned on behalf of His Majesty's Government have hereunto set their hands in London  
the                      day of                      19 .

}

**II. Insurance of Cargo.****(8) EXPLANATORY MEMORANDUM (AS REVISED 19TH MARCH, 1915)  
AS TO CARGO INSURANCES ONLY.**

War Risks Insurance Office,  
33-36, King William Street,  
London, E.C.

1. The only risks which are covered by the Government War Risks Insurance Office are King's Enemy War Risks, in terms of Clause 2 in the policy,<sup>(a)</sup> of which the following is a copy:—

“This Insurance is only to cover the risks of Capture, Seizure and Detainment by the King's Enemies and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's Enemies, whether before or after declaration of war.”

2. Cargo only is insured. The insurance is undertaken subject more particularly to the following conditions:—

- (a) That any cargo may be insured which is not enemy property, or goods the transport of which is prohibited by proclamation or otherwise restricted;
- (b) That the cargo is carried on a British vessel which is entered in one of the undermentioned War Risks Associations approved by the Government, and that a war-risks policy has been taken out on the vessel covering the voyage in question under the Government Scheme for the re-insurance of hulls;
- (c) That the voyage is not one which is prohibited by the Admiralty; and
- (d) That in the case of cargo on sailing vessels the Committee will exercise its discretion as regards the maximum value of cargo to be covered in any one vessel.

3. It rests with the applicant to satisfy himself that the conditions mentioned in paragraph 2 are complied with; the warranties in the policy which deal with these and other points should be carefully considered.

4. The approved War Risks Associations above referred to are:—

(a) *For insurance of steamers—*

- (1) The North of England Protecting and Indemnity Association, Collingwood Buildings, Newcastle-on-Tyne.
- (2) The Liverpool and London War Risks Insurance Association, Limited, 10, Water Street, Liverpool.

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(a) Printed at p. 122 below.

- (3) The London Group of War Risks Associations, 24, St. Mary Axe, E.C. This group comprises the following:—

Britannia Steam Ship Insurance Association, Limited; Tindall, Riley & Co. (Managers), 17, Gracechurch Street, E.C.

London Steam Ship Owners' Mutual Insurance Association, Limited; A. Bilbrough & Co. (Managers), 23, Rood Lane, E.C.

Newcastle War Risks Indemnity Association, Limited; E. S. Scorfield & James Ferguson (Managers), 4, Queen's Street, Newcastle-on-Tyne.

Standard Steamship Owners' Mutual War Risks Association Limited; Charles Taylor & Co. (Managers), 9, Fenchurch Avenue, E.C.

Sunderland Steamship Mutual War Risks Association, Limited; J. Rutherford & Son (Managers), 45, West Sunnyside, Sunderland.

United Kingdom Mutual War Risks Association, Limited; T. R. Miller & Son (Managers), 24, St. Mary Axe, E.C.

West of England Mutual War Risks Association, Limited; John Holman & Sons (Managers), 1, Lloyd's Avenue, E.C.

(b) *For insurance of sailing vessels*—

War Risks Association Limited; Robert R. Douglas, Limited (Managers), 11, Dale Street, Liverpool.

5. As a general rule, cargo carried on a vessel which has already sailed cannot be insured under the Government Scheme, but the War Risks Insurance Office is, notwithstanding, authorised to consider applications for the insurance of cargo on a vessel which has already sailed and can be warranted safe at a port of call or at some point on her voyage.

6. The premium is charged at a flat rate irrespective of the voyage or of the character of the cargo insured: the flat rate for (a) sailing-vessel cargoes is at the date of this Memorandum double the flat rate for steamer cargoes. Any alteration in rate will be announced in the Press.

7. If, for any reason which the Committee consider sufficient, the goods or any portion of them are not shipped by the vessel by which they were insured, the insurance effected may be cancelled so far as short interest is concerned.

8. All applications for cancelment or return of premium must be made on the forms specially provided for that purpose. Such applications should be accompanied by a statement of reasons and supporting evidence, together with the stamped slip and policy.

In the case of claim for partial cancelment, inspection of the marine policy may be required.

Where the application for cancelment or return is consequent on war risk insurance previously effected elsewhere, the slip and policy relating to the other insurance must be produced.

9. Cargo insured against King's Enemy War Risks under the Government Scheme must also be covered by approved marine insurance policies as defined in paragraph 10. These marine

policies must be produced at the War Risks Insurance Office when required, in proof of values, but this will possibly not be necessary except in the event of a loss or claim. In the case of cargoes insured against marine risks by policies issued on or after the 5th August, 1914, the insurance will, in the absence of any special agreement otherwise, be deemed sufficient for the purposes of the Government Scheme, so long as not less than 70 per cent. of the value be covered under approved marine insurance policies. This rule does not apply to policies issued before the outbreak of war, so long as such policies shall afford sufficient proof of values.

10. Marine insurance policies will be accepted by the War Risks Insurance Office as evidence of values under the foregoing paragraph, if issued by Members of Lloyd's, British Insurance Companies, or other approved Underwriters or Insurance Companies, as follows:—

- (a) All policies (whether enemy or other) issued previous to the outbreak of war, *i.e.*, signed and dated prior to and including the 4th August, will be accepted; and
- (b) All policies of recognised British or alien Companies or Underwriters (other than enemy) issued on or after the outbreak of war will be accepted. This does not authorise the acceptance of policies, whether British or alien, issued by trading or other firms not coming within the general scope of recognised Underwriting Associations.

Applicants for insurance of cargo under the Government Scheme, if in doubt as to the admissibility of their marine insurance policies under the foregoing rules, should, when submitting their proposals for insurance, produce the marine policies for consideration, and, in case of need, endorsement, if approved.

11. Where the insurance is described on the slip as "Provisional," this refers to the amount insured only, and not to the insurance as a whole.

The premium on the whole amount must in all cases be paid in the first instance, subject to any such refund as may be subsequently substantiated.

12. No interior or land risks are taken by the War Risks Insurance Office.

13. The brokerage to be deducted should be calculated at the rate of one shilling per guinea of premium. No discount is allowed.

14. It rests on applicants to see that the information and calculations appearing on the application slip shall be in all respects correct.

15. Cheques must be made payable to the "War Risks Office," and crossed "Bank of England."

16. Applicants desiring to retain at their own risk a portion of the war risk, insuring the remainder under the Government Scheme, may so retain up to, but not exceeding, 50 per cent. of

the declared value, but with the reservation that whatever be the proportion so retained at the inception of the risk it shall be retained at the risk of the assured until its termination. In such cases the total value of the interest at risk must be declared on the application slip for insertion in the policy.

The foregoing does not preclude the assured from insuring with approved Underwriters or Insurance Companies any portion of the war risk not placed with the War Risks Insurance Office, provided that such insurance be effected not later than the insurance with the War Risks Insurance Office.

17. The value for the purpose of insurance against war risks must not exceed the value for insurance against sea risks.

18. The premium in force at the time the insurance was effected cannot, unless in the case provided for in Clause 1 of the policy, be afterwards reduced or increased.

19. Payment of admitted claims will be made promptly by cheque on the Bank of England.

20. Application slips for insurance must be filled up in duplicate, one copy to be marked "Duplicate," for retention by the War Risks Insurance Office.

The premium must be paid at the time the application is handed in.

21. Copies of this Memorandum, application slips for insurance,<sup>(a)</sup> and specimen policies are obtainable at the War Risks Insurance Office, where all applications for the insurance of cargo under the Government War Risks Insurance Scheme must be made personally by the applicant or his representative. Postal or telegraphic applications cannot be accepted.

Application slips can also be obtained at Lloyd's, or at the Institute of London Underwriters, 1, St. Michael's House, Cornhill, E.C.

22. The War Risks Insurance Office is open for public business from 11 to 4 o'clock; on Saturdays from 11 to 1 o'clock.

By order of the Advisory Committee,

DOUGLAS OWEN,

*Chairman.*

33-36, KING WILLIAM STREET,  
LONDON, E.C.

19th March, 1915.

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(a) The application slip is printed at p. 120.

(9) FORM OF APPLICATION AS TO CARGO INSURANCES.

No. \_\_\_\_\_ State here whether *Provisional* or *Definite* \_\_\_\_\_

**WAR RISKS INSURANCE ON CARGO BY HIS MAJESTY'S GOVERNMENT.**

**WAR RISKS INSURANCE OFFICE,**  
33-36, KING WILLIAM STREET,  
LONDON, E.C. \_\_\_\_\_ 191

Insurance limited to goods carried on a voyage upon which the vessel is insured under His Majesty's Government's  
*N.B.—In order to avoid delay it is important that all particulars should be plainly written.*

Policy in } Name of }	Name of } Applicant }	Address	Voyage. (Where cargo is insured to more than than one port the separate amounts must be given.)	Name of Vessel.		Owners.	Amount covered by War Risks Office.*	Rate of Premium.	Amount of Premium.	
									£	s.
				Date of Sailing			£			
							Brokerage 1s. per guinea. }			
							* Valued as in Marine Policies. If sum insured hereunder is not full value, the latter must also be stated.			

The policy to be issued in pursuance of this Slip shall be in the standard form prescribed by His Majesty's Government, with such of the special clauses prescribed by His Majesty's Government as are applicable to the subject matter of this Insurance.

This Slip, which shall have the force of a Contract between the Assured and His Majesty's Government, is issued as a Provisional Insurance against all risks which are or would be excluded by the following Clause from a Policy or Policies of Marine Insurance issued or to be issued in accordance with the particulars given on this Slip :—

"The Risks of Capture, Seizure, and Detention by the King's Enemies and the consequences thereof, or any attempt thereof, and all consequences of hostilities or warlike operations, by or against the King's Enemies, whether before or after declaration of war."

The Assured undertakes to complete this Insurance by the production of full and final particulars as to value, &c., of the goods insured, which shall be duly embodied in the Policy which may be issued by His Majesty's Government in pursuance of this Slip. In the event of the premium paid hereunder being in excess of that required when the final Particulars are produced, then the excess of such premium shall be forthwith returned to the Assured by His Majesty's Government.

**N.B.—Applicants should satisfy themselves by direct enquiry from the owners or their brokers that the hull of the vessel is insured under the Government War Risks Insurance Scheme for the voyage in question, as, owing to the fact that some owners occasionally withdraw their hull insurances from the Scheme for particular voyages, it is impossible for this Office to be correctly posted as to the actual position in every case.**

(10) KING'S ENEMY WAR RISKS INSURANCE POLICY ON GOODS. No.

**BE IT KNOWN THAT**

as well in                      own Name, as for and in the Name and Names  
of all and every other Person or Persons to whom the same doth,  
may, or shall appertain, in part or in all, doth make Assurance,  
and cause                      and them and every of them to be  
insured, lost or not lost, at and from

**S.G.**

**£**

upon any kind of Goods and Merchandises, and also upon the  
Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat, and  
other Furniture, of and in the good Ship or vessel called the

whereof is Master under God, for the present voyage

or whosoever else shall go for Master in the said  
Ship, or by whatsoever other Name or Names the same Ship, or  
the Master thereof, is or shall be named or called, beginning the  
Adventure upon the said Goods and Merchandises from the load-  
ing thereof aboard the said Ship at as above

upon the said Ship, &c.,

and shall so continue and endure, during  
her Abode there, upon the said Ship, &c.; and further, until the  
said Ship, with all her Ordnance, Tackle, Apparel, &c., and  
Goods and Merchandise whatsoever, shall be arrived at as above

upon the said Ship, &c., until she has moored at Anchor Twenty-  
four Hours in good safety, and upon the Goods and Merchandises  
until the same be there discharged and safely landed; and it shall  
be lawful for the said Ship, &c., in this Voyage to proceed and  
sail to and touch and stay at any Ports or Places whatsoever and  
wheresoever and for all purposes and

without Prejudice to this Insurance. The said Ship, &c., Goods  
and Merchandises, &c., for so much as concerns the Assured, by  
Agreement between the Assured and Assurers in this Policy, are  
and shall be valued at

**TOUCHING** the Adventures and Perils which we the Assurers  
are contented to bear and do take upon us in this Voyage, they are,  
of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves,  
Jettisons, Letters of Mart and Countermart, Surprisals, Taking  
at Sea, Arrests, Restraints, and Detainments of all Kings,  
Princes, and People, of what Nation, Condition, or Quality soever,  
Barratry of the Master and Mariners, and of all other Perils,  
Losses, and Misfortunes that have or shall come to the Hurt,  
Detriment, or Damage of the said Goods and Merchandises and  
Ship, &c., or any Part thereof; and in case of any Loss or Mis-  
fortune, it shall be lawful to the Assured, their Factors, Servants,  
and Assigns, to sue, labour, and travel for, in and about the



Defence, Safeguard, and Recovery of the said Goods and Merchandises and Ship, &c., or any part thereof, without Prejudice to this Insurance, to the Charges whereof His Majesty's Government will contribute according to the Rate and Quantity of the Sum herein assured. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London. And so we, His Majesty's Government, are contented, and do hereby promise and bind ourselves to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises, confessing ourselves paid the Consideration due unto us for this Assurance by the Assured at and after the Rate of

1. Warranted to sail within fourteen days from the date on which the Provisional Insurance was effected but in the event of the Vessel sailing after that time it is agreed to hold the Assured covered at the Rate of Premium fixed by His Majesty's Government current at the time of sailing.

**2. This Insurance is only to cover the risks of Capture, Seizure and Detainment by the King's Enemies and the consequences thereof, or any attempt thereat, and all consequences of hostilities or warlike operations by or against the King's Enemies, whether before or after declaration of war.**

3. Warranted that the Goods hereby insured are also fully insured by Policies of Marine Insurance against all risks covered by an ordinary Lloyd's Policy containing an F.C.S. clause and that such Policies are subscribed by Lloyd's Underwriters or British Insurance Companies or other Insurance Companies and Underwriters approved by His Majesty's Government.

4. This Policy is issued in conjunction with the Policy or Policies of Marine Insurance mentioned in clause 3 hereof and, so far as the same are applicable hereto and are not inconsistent with the express provisions hereof, the clauses and conditions of such Policy or Policies of Marine Insurance shall be deemed to be incorporated herein and this Policy shall be interpreted accordingly. But no claim whatever against which the Goods are insured by such Policy or Policies shall be recoverable under this Policy.

5. Valued as in the Policy or Policies of Marine Insurance in conjunction with which this Policy is issued.

6. If the Ship is prevented by His Majesty's Government from starting on the Voyage, the Assured may, at his option, require this Policy to be cancelled and the Premium to be returned.

7. The Assured warrants :—

- (a.) That the Goods insured are not enemy property at any time during the Voyage.
- (b.) That the Ship is at the beginning of the Voyage covered for the Voyage by Insurance under His Majesty's Government's War Risks Insurance Scheme against the risks specified in clause 2 hereof.

8. The Assured further warrants :—

- (a) That the Ship shall not start on the voyage if ordered by His Majesty's Government not to do so.
- (b) That the Ship shall comply, so far as possible, with the Orders of His Majesty's Government as to Routes, Ports of Call and Stoppages.
- (c) That the Ship shall leave an Enemy's Port within the days of grace allowed by the Enemy and shall comply with the terms of any Pass granted by the Enemy.
- (d) That the Ship shall not enter or leave, or attempt to enter or leave, any Port which is known to be blockaded by the Enemy.
- (e) That the Ship shall throughout the Voyage continue to be covered by Insurance by His Majesty's Government against the risks specified in clause 2 hereof.

*Provided always* that the breach of any of the Warranties mentioned in this clause shall not operate to invalidate the Insurance or to defeat a claim if such breach happen without the fault or privity of the person or persons who were holders of this Policy at the time of such breach and of the person or persons seeking to enforce this Policy.

IN WITNESS whereof His Majesty's Government have hereunto set their hands in London.

*For His Majesty's Government.*

## VI. TRADING WITH THE ENEMY.

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| 1. <i>Trading with the Enemy Acts</i> ,<br>p. 124. | 2. <i>Proclamations and Licences</i> ,<br>p. 136. |
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### 1. Trading with the Enemy Acts.

- (1) THE TRADING WITH THE ENEMY ACT, 1914 (4 & 5 GEO. 5, c. 87).

An Act to make provision with respect to penalties for Trading with the Enemy, and other purposes connected therewith.

[18th September 1914.]

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Penalties for trading with enemy.

1.—(1) Any person who during the present war trades or has, since the fourth day of August nineteen hundred and fourteen, traded with the enemy within the meaning of this Act shall be guilty of a misdemeanour, and shall—

- (a) on conviction under the Summary Jurisdiction Acts,<sup>(a)</sup> be liable to imprisonment with or without hard labour for a term not exceeding twelve months, or to a fine not exceeding five hundred pounds, or to both such imprisonment and fine; or
- (b) on conviction on indictment, be liable to penal servitude for a term not exceeding seven or less than three years or to imprisonment with or without hard labour for a term not exceeding two years, or to a fine, or to both such penal servitude or imprisonment and fine;

and the court may in any case order that any goods or money, in respect of which the offence has been committed, be forfeited.

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(a) "The Summary Jurisdiction Acts" means, in relation to England and Wales, the Summary Jurisdiction Act, 1848 (11 & 12 Vict., c. 43), and the Summary Jurisdiction Act, 1879 (42 & 43 Vict., c. 49), and any Act, past or future, amending those Acts or either of them: in relation to Scotland, the Summary Jurisdiction (Scotland) Act, 1908 (8 Edw. 7, c. 65), and the Summary Jurisdiction (Scotland) Act, 1908, Amendment Act, 1909 (9 Edw. 7, c. 28); and in relation to Ireland, so far as respects the Dublin Metropolitan Police District, the Acts regulating the powers and duties of justices of the peace or of the police of that district, and as respects any other part of Ireland, the Petty Sessions (Ireland) Act, 1851 (14 & 15 Vict., c. 93) and any Act, past or future, amending the same. (*See* *Interp. Act*, 1889 (52 & 53 Vict., c. 63), s. 13 (7)–(10); 8 Edw. 7, c. 65, s. 3, Sch. A; 9 Edw. 7, c. 28, s. 1).

(2) For the purposes of this Act a person shall be deemed to have traded with the enemy if he has entered into any transaction or done any act which was, at the time of such transaction or act, prohibited by or under any proclamation issued by His Majesty dealing with trading with the enemy for the time being in force,<sup>(a)</sup> or which at common law or by statute constitutes an offence of trading with the enemy:

Provided that any transaction or act permitted by or under any such proclamation shall not be deemed to be trading with the enemy.

(3) Where a company has entered into a transaction or has done any act which is an offence under this section, every director, manager, secretary, or other officer of the company who is knowingly a party to the transaction or act shall also be deemed guilty of the offence.

(4) A prosecution for an offence under this section shall not be instituted except by or with the consent of the Attorney-General:

Provided that the person charged with such an offence may be arrested and a warrant for his arrest may be issued and executed, and such person may be remanded in custody or on bail notwithstanding that the consent of the Attorney-General to the institution of the prosecution for the offence has not been obtained, but no further or other proceedings shall be taken until that consent has been obtained.

(5) Where an act constitutes an offence both under this Act and under any other Act, or both under this Act and at common law, the offender shall be liable to be prosecuted and punished under either this Act or such other Act, or under this Act or at common law, but shall not be liable to be punished twice for the same offence.

2.—(1) If a justice of the peace is satisfied, on information on oath laid on behalf of a Secretary of State or the Board of Trade, that there is reasonable ground for suspecting that an offence under this Act has been or is about to be committed by any person, firm, or company, he may issue a warrant authorising any person appointed by a Secretary of State or the Board of Trade and named in the warrant to inspect all books or documents belonging to or under the control of that person, firm, or company, and to require any person able to give any information with respect to the business or trade of that person, firm, or company to give that information, and if accompanied by a constable to enter and search any premises used in connection with the business or trade, and to seize any such books or documents as aforesaid:

Power to inspect books and documents.

Provided that when it appears to a Secretary of State or the Board of Trade that the case is one of great emergency and

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(a) See the Proclamations printed under the sub-heading "PROCLAMATIONS AND LICENCES" at pp. 136-149 below.

that in the interests of the State immediate action is necessary, a Secretary of State or the Board of Trade may, by written order, give to a person appointed by him or them the like authority as may be given by a warrant of a justice under this subsection.

(2) Where it appears to the Board of Trade—

- (a) in the case of a firm, that one of the partners in the firm was immediately before or at any time since the commencement of the present war a subject of, or resident or carrying on business in, a state for the time being at war with His Majesty; or
- (b) in the case of a company, that one-third or more of the issued share capital or of the directorate of the company immediately before or at any time since the commencement of the present war was held by or on behalf of or consisted of persons who were subjects of, or resident or carrying on business in, a state for the time being at war with His Majesty; or
- (c) in the case of a person, firm or company, that the person was or is, or the firm or company were or are, acting as agent for any person, firm, or company trading or carrying on business in a state for the time being at war with His Majesty;

the Board of Trade may, if they think it expedient for the purpose of satisfying themselves that the person, firm or company are not trading with the enemy, by written order, give to a person appointed by them, without any warrant from a justice, authority to inspect all books and documents belonging to or under the control of the person, firm or company, and to require any person able to give information with respect to the business or trade of that person, firm or company, to give that information.

For the purposes of this subsection, any person authorised in that behalf by the Board of Trade may inspect the register of members of a company at any time, and any shares in a company for which share warrants to bearer have been issued shall not be reckoned as part of the issued share capital of the company.

(3) If any person having the custody of any book or document which a person is authorised to inspect under this section refuses or wilfully neglects to produce it for inspection, or if any person who is able to give any information which may be required to be given under this section refuses or wilfully neglects when required to give that information, that person shall on conviction under the Summary Jurisdiction Acts<sup>(a)</sup> be liable to imprisonment with or without hard labour for a term not exceeding six months, or to a fine not exceeding fifty pounds, or to both such imprisonment and fine.

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(a) As to the present meaning of this expression in relation to each part of the United Kingdom, *see* footnote (a) to p. 124 above.

**3.** Where it appears to the Board of Trade in reference to any firm or company—

Power of Board of Trade to apply for receiver in certain cases.

(a) that an offence under this Act has been or is likely to be committed in connexion with the trade or business thereof; or

(b) that the control or management thereof has been or is likely to be so affected by the state of war as to prejudice the effective continuance of its trade or business and that it is in the public interest that the trade or business should continue to be carried on;

the Board of Trade may apply to the High Court for the appointment of a controller of the firm or company, and the High Court shall have power to appoint such a controller, for such time and subject to such conditions and with such powers as the court thinks fit, and the powers so conferred shall be either those of a receiver and manager or those powers subject to such modifications, restrictions or extensions as the court thinks fit (including, if the court considers it necessary or expedient for enabling the controller to borrow money, power, after a special application to the court for that purpose, to create charges on the property of the firm or company in priority to existing charges).

The court shall have power to direct how and by whom the costs of any proceedings under this section, and the remuneration, charges, and expenses of the controller, shall be borne, and shall have power, if it thinks fit, to charge such costs, charges, and expenses on the property of the firm or company in such order of priority, in relation to any existing charges thereon, as it thinks fit.

**4.**—(1) This Act may be cited as the Trading with the Enemy Act, 1914.

Short title and construction.

(2) In this Act the expression “Attorney-General” means the Attorney or Solicitor General for England, and as respects Scotland means the Lord Advocate, and as respects Ireland means the Attorney or Solicitor General for Ireland.

(3) In the application of this Act to Scotland the Secretary for Scotland shall be substituted for a Secretary of State, and the Court of Session shall be substituted for the High Court; the court exercising summary jurisdiction shall be the sheriff court; references to a justice of the peace shall include references to the sheriff and to a burgh magistrate; and references to a receiver and manager shall be construed as references to a judicial factor.

(4) In the application of this Act to Ireland, the Lord Lieutenant shall be substituted for a Secretary of State.

(5) Anything authorised under this Act to be done by the Board of Trade may be done by the President or a Secretary or Assistant Secretary of the Board, or any person authorised in that behalf by the President of the Board.

(2) THE TRADING WITH THE ENEMY AMENDMENT ACT, 1914  
(5 GEO. 5, c. 12).

An Act to amend the Trading with the Enemy Act, 1914,<sup>(a)</sup>  
and for purposes connected therewith.

[27th November 1914.]

**W**HEREAS it is expedient to make further provision for preventing the payment of money to persons and bodies of persons resident or carrying on business in any country with which His Majesty is for the time being at war (which persons and bodies of persons are hereinafter referred to as "enemies"), in contravention of the law relating to trading with the enemy, and for preserving, with a view to arrangements to be made at the conclusion of peace, such money and certain other property belonging to enemies; and to make other provisions for preventing trading with the enemy:

Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) The Board of Trade shall appoint a person to act as Custodian of enemy property (hereinafter referred to as "the Custodian") for England and Wales, for Scotland, and for Ireland respectively, for the purpose of receiving, holding, preserving, and dealing with such property as may be paid to or vested in him in pursuance of this Act,<sup>(b)</sup> and if any question arises as to which Custodian any money is to be paid to under this Act, the question shall be determined by the Board of Trade.

(2) The Public Trustee shall be appointed to be the Custodian for England and Wales,<sup>(b)</sup> and shall, in relation to all property held by him in his capacity of Custodian, have the like status, and his accounts shall be subject to the like audit, as if the same were held by him in his capacity of Public Trustee, and the Public Trustee Act, 1906, shall apply accordingly.<sup>(c)</sup>

(3) The Custodian for Scotland and Ireland respectively shall have such powers and duties with respect to the property aforesaid as may be prescribed by regulations made by the Board of Trade with the approval of the Treasury.

(4) The Custodian may place on deposit with any bank, or invest in any securities, approved by the Treasury, any moneys paid to him under this Act, or received by him from property vested in him under this Act, and any interest or dividends received on account of such deposits or investments shall be dealt with in such manner as the Treasury may direct:

(a) This Act (4 & 5 Geo. 5. c. 87) is printed at pp. 124–127 above.

(b) By Orders of the Board of Trade, printed at pp. 552, 555 and 556 of Supplement No. 3 to the Manual of Emergency Legislation, the Public Trustee was appointed Custodian for England and Wales; the Accountant of Court in Scotland, Custodian for Scotland; and the Official Assignee in Bankruptcy in Ireland, Custodian for Ireland.

(c) See the Public Trustee Rules, 1912, Statutory Rules and Orders, 1912, No. 348, pp. 1231–1241, and the Public Trustee Fees Order, Statutory Rules and Orders, 1912, No. 417, pp. 1241–1246.

Constitu-  
tion of  
office of  
Custodian of  
enemy  
property.

6 Edw. 7.  
c. 55.

Provided that the Custodian for any part of the United Kingdom shall, if so directed by the Treasury, transfer any money held by him under this Act to the Custodian of another part thereof.

2.—(1) Any sum which, had a state of war not existed, would have been payable and paid to or for the benefit of an enemy, by way of dividends, interest or share of profits, shall be paid by the person, firm or company by whom it would have been payable to the Custodian to hold subject to the provisions of this Act and any Order in Council made thereunder, and the payment shall be accompanied by such particulars as the Board of Trade may prescribe, or as the Custodian, if so authorised by the Board of Trade may require. (a)

Payment of dividends, &c. payable to enemy.

Any payment required to be made under this subsection to the Custodian shall be made—

(a) within fourteen days after the passing of this Act, if the sum, had a state of war not existed, would have been paid before the passing of this Act; and

(b) in any other case within fourteen days after it would have been paid.

(2) Where before the passing of this Act any such sum has been paid into any account with a bank, or has been paid to any other person in trust for an enemy, the person, firm or company by whom the payment was made shall, within fourteen days after the passing of this Act, by notice in writing, require the bank or person to pay the sum over to the Custodian to hold as aforesaid, and shall furnish the Custodian with such particulars as aforesaid. The bank or other person shall, within one week after the receipt of the notice, comply with the requirement and shall be exempt from all liability for having done so.

(3) If any person fails to make or require the making of any payment or to furnish the prescribed particulars within the time mentioned in this section, he shall, on conviction under the Summary Jurisdiction Acts, (b) be liable to a fine not exceeding one hundred pounds or to imprisonment, with or without hard labour, for a term not exceeding six months, or to both such fine and imprisonment, and in addition to a further fine not exceeding fifty pounds for every day during which the default continues, and every director, manager, secretary or officer of a company, or any other person who is knowingly a party to the default shall, on the like conviction, be liable to the like penalty.

(4) If, in the case of any person, firm or company whose books and documents are liable to inspection under subsection (2) of section two of the Trading with the Enemy Act, 1914 (hereinafter referred to as the principal Act), any question arises as to the amount which would have been so payable and paid as aforesaid, the question shall be determined by the person who may

4 & 5 Geo. 5.  
c. 87.

(a) The Forms of Particulars required by the Custodian under this provision are printed at p. 553 of Supplement No. 3 to the Manual of Emergency Legislation.

(b) As to the present meaning of this expression in relation to each part of the United Kingdom, see footnote (a) at p. 124 above.



have been or who may be appointed to inspect the books and documents of the person, firm or company, or, on appeal, by the Board of Trade, and if, in the course of determining the question, it appears to the inspector or the Board of Trade that the person, firm or company has not distributed as dividends, interest or profits the whole of the amount properly available for that purpose, the inspector or Board may ascertain what amount was so available and require the whole of such amount to be so distributed, and, in the case of a company, if such dividends have not been declared, the inspector or the Board may himself or themselves declare the appropriate dividends, and every such declaration shall be as effective as a declaration to the like effect duly made in accordance with the constitution of the company:

Provided that where a controller has been appointed under section three of the principal Act this subsection shall apply as if for references to the inspector there were substituted references to the controller.

(5) For the purposes of this Act the expression "dividends, interest or share of profits" means any dividends, bonus or interest in respect of any shares, stock, debentures, debenture stock or other obligations of any company, any interest in respect of any loan to a firm or person carrying on business for the purposes of that business, and any profits or share of profits of such a business, and, where a person is carrying on any business on behalf of an enemy, any sum which, had a state of war not existed, would have been transmissible by a person to the enemy by way of profits from that business shall be deemed to be a sum which would have been payable and paid to that enemy.

Duty of  
trustees for  
enemies to  
notify the  
Custodian.

3.—(1) Any person who holds or manages for or on behalf of an enemy any property, real or personal (including any rights, whether legal or equitable, in or arising out of property, real or personal), shall, within one month after the passing of this Act or if the property comes into his possession or under his control after the passing of this Act, then within one month after the time when it comes into his possession or under his control, by notice in writing communicate the fact to the Custodian, and shall furnish the Custodian with such particulars in relation thereto as the Custodian may require,<sup>(a)</sup> and if any person fails to do so he shall, on conviction under the Summary Jurisdiction Acts,<sup>(b)</sup> be liable to a fine not exceeding one hundred pounds or to imprisonment, with or without hard labour, for a term not exceeding six months, or to both such a fine and imprisonment, and in addition to a further fine not exceeding fifty pounds for every day during which the default continues.

(2) Every company incorporated in the United Kingdom and every company which, though not incorporated in the United Kingdom, has a share transfer or share registration office in the United Kingdom shall, within one month after the passing of this

(a) The Forms of Particulars required by the Public Trustee under this provision are printed at p. 554 of Supplement No. 3 to the Manual of Emergency Legislation.

(b) See footnote (a) p. 124 above.

Act, by notice in writing communicate to the Custodian full particulars<sup>(a)</sup> of all shares, stock, debentures, and debenture stock and other obligations of the company which are held by or for the benefit of an enemy; and every partner of every firm, one or more partners of which on the commencement of the war became enemies or to which money had been lent for the purpose of the business of the firm by a person who so became an enemy, shall, within one month after the commencement of this Act, by notice in writing communicate to the Custodian full particulars<sup>(a)</sup> as to any share of profits and interest due to such enemies or enemy, and, if any company or partner fails to comply with the provisions of this subsection, the company shall, on conviction under the Summary Jurisdiction Acts, be liable to a fine not exceeding one hundred pounds. and in addition to a further fine not exceeding fifty pounds for every day during which the default continues, and the partner and every director, manager, secretary or officer of the company who is knowingly a party to the default shall on the like conviction be liable to the like fine, or to imprisonment, with or without hard labour, for a term not exceeding six months, or to both such imprisonment and fine.

4.—(1) The High Court or a judge thereof may, on the application of any person who appears to the court to be a creditor of an enemy or entitled to recover damages against an enemy, or to be interested in any property, real or personal (including any rights, whether legal or equitable, in or arising out of property real or personal), belonging to or held or managed for or on behalf of an enemy, or on the application of the Custodian or any Government Department, by order vest in the Custodian any such real or personal property as aforesaid, if the court or the judge is satisfied that such vesting is expedient for the purposes of this Act, and may by the order confer on the Custodian such powers of selling, managing and otherwise dealing with the property as to the court or judge may seem proper.

Power to  
vest enemy  
property in  
Custodian.

(2) The court or judge before making any order under this section may direct that such notices (if any), whether by way of advertisement or otherwise, shall be given as the court or judge may think fit.

(3) A vesting order under this section as respects property of any description shall be of the like purport and effect as a vesting order as respects property of the same description made under the Trustee Act, 1893.

56 & 57 Vict.  
c. 53.

5.—(1) The Custodian shall, except so far as the Board of Trade or the High Court or a judge thereof may otherwise direct, and subject to the provisions of the next succeeding subsection, hold any money paid to and any property vested in him under this Act until the termination of the present war, and shall thereafter deal with the same in such manner as His Majesty may by Order in Council direct.

Holding and  
dealing with  
property by  
Custodian.

(a) The Form of Particulars required by the Public Trustee under this provision is printed at p. 555 of Supplement No. 3 to the Manual of Emergency Legislation.

(2) The property held by the Custodian under this Act shall not be liable to be attached or otherwise taken in execution, but the Custodian may, if so authorised by an order of the High Court or a judge by whose order any property belonging to an enemy was vested in the Custodian under this Act, or of any court in which judgment has been recovered against an enemy, pay out of the property paid to him in respect of that enemy the whole or any part of any debts due by that enemy and specified in the order:

Provided that before paying any such debt the Custodian shall take into consideration the sufficiency of the property paid to or vested in him in respect of the enemy in question to satisfy that debt and any other claims against that enemy of which notice verified by statutory declaration may have been served upon him.

(3) The receipt of the Custodian or any person duly authorised to sign receipts on his behalf for any sum paid to him under this Act shall be a good discharge to the person paying the same as against the person or body of persons in respect of whom the sum was paid to the Custodian.

(4) The Custodian shall keep a register of all property held by him under this Act which register shall be open to public inspection at all reasonable times free of charge.

(5) In England and Ireland the Lord Chancellor and the Lord Chancellor for Ireland may by rules, and in Scotland the Court of Session may by act of sederunt, make provision for the practice and procedure to be adopted for the purposes of this and the last preceding section.(a)

Invalidity of  
assignment  
of debts, &c.,  
by enemies.

**6.**—(1) No person shall by virtue of any assignment of any debt or other chose in action, or delivery of any coupon or other security transferable by delivery, or transfer of any other obligation, made or to be made in his favour by or on behalf of an enemy, whether for valuable consideration or otherwise, have any rights or remedies against the person liable to pay, discharge or satisfy the debt, chose in action, security or obligation, unless he proves that the assignment, delivery, or transfer was made by leave of the Board of Trade or was made before the commencement of the present war, and any person who knowingly pays, discharges or satisfies any debt, or chose in action, to which this subsection applies, shall be deemed to be guilty of the offence of trading with the enemy within the meaning of the principal Act:

Provided that this subsection shall not apply where the person to whom the assignment, delivery or transfer was made, or some person deriving title under him, proves that the transfer, delivery or assignment or some subsequent transfer, delivery or assignment, was made before the nineteenth day of November, nineteen hundred and fourteen, in good faith and for valuable consideration nor shall this subsection apply to any bill of exchange or promissory note.

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(a) The Rules made by the Lord Chancellor under this provision are printed at pp. 557-565 of Supplement No. 3 to the Manual of Emergency Legislation and the corresponding Scottish and Irish Rules, at pp. 568, 569, respectively.

(2) No person shall by virtue of any transfer of a bill of exchange or promissory note made or to be made in his favour by or on behalf of an enemy, whether for valuable consideration or otherwise, have any rights or remedies against any party to the instrument unless he proves that the transfer was made before the commencement of the present war, and any party to the instrument who knowingly discharges the instrument shall be deemed to be guilty of trading with the enemy within the meaning of the principal Act:

Provided that this subsection shall not apply where the transferee, or some subsequent holder of the instrument, proves that the transfer, or some subsequent transfer, of the instrument was made before the nineteenth day of November, nineteen hundred and fourteen, in good faith and for valuable consideration.

(3) Nothing in this section shall be construed as validating any assignment, delivery or transfer which would be invalid apart from this section or as applying to securities within the meaning of section eight of this Act.

**7.** Where during the continuance of the present war any coupon or other security transferable by delivery is presented for payment to any company, municipal authority, or other body or person, and the company, body or person has reason to suspect that it is so presented on behalf or for the benefit of an enemy, or that since the commencement of the present war it has been held by or for the benefit of an enemy, the company, body or person may pay the sum due in respect thereof into the High Court, and the same shall, subject to rules of court,<sup>(a)</sup> be dealt with according to the orders of the court, and such a payment shall for all purposes be a good discharge to the company, body or person.

**Right to pay into court sums due on coupons suspected of being enemy property.**

**8.—(1)** No transfer made after the passing of this Act by or on behalf of an enemy of any securities shall confer on the transferee any rights or remedies in respect thereof and no company or municipal authority or other body by whom the securities were issued or are managed shall, except as hereinafter appears, take any cognizance of or otherwise act upon any notice of such a transfer:

**Invalidity of transfer of shares in company, &c.**

(2) No entry shall hereafter, during the continuance of the present war, be made in any register or branch register or other book kept in the United Kingdom of any transfer of any securities therein registered, inscribed or standing in the name of an enemy, except by leave of a court of competent jurisdiction or of the Board of Trade.

(3) No share warrants payable to bearer shall be issued during the continuance of the present war in respect of any shares or stock registered in the name of any enemy.

(4) If any company or any body contravenes the provisions of this section the company or body shall be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding one

(a) The Rules made by the Lord Chancellor as to Suspected Coupons are printed at pp. 565-568 of Supplement No. 3 to the Manual of Emergency Legislation, and the corresponding Scottish Rules at p. 568.

hundred pounds, and every director, manager, secretary or other officer of the company or body who is knowingly a party to the default, shall be liable on the like conviction to a like fine or to imprisonment, with or without hard labour, for a term not exceeding six months.

(5) For the purposes of this section the expression "securities" means any annuities, stock, shares, debentures, or debenture stock issued by or on behalf of the Government or by any municipal or other authority, or by any company or by any other body which are registered or inscribed in any register, branch register, or other book kept in the United Kingdom.

Condition as  
to the incor-  
poration  
of new  
companies.

**9.**—(1) During the continuance of the present war a certificate of incorporation of a company shall not be given by the Registrar of Joint Stock Companies until there has been filed with him either—

(a) a statutory declaration by a solicitor of the Supreme Court, or, in Scotland, by an enrolled law agent, engaged in the formation of the company, that the company is not formed for the purpose or with the intention of acquiring the whole or any part of the undertaking of a person, firm or company the books and documents of which are liable to inspection under subsection (2) of section two of the principal Act; or

(b) a licence from the Board of Trade authorising the acquisition by the company of such an undertaking.

(2) Where such a statutory declaration has been filed it shall not be lawful for the company, during the continuance of the present war, without the licence of the Board of Trade, to acquire the whole or any part of any such undertaking, and if it does so the company shall, without prejudice to any other liability, be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding one hundred pounds, and every director, manager, secretary, or other officer of the company who is knowingly a party to the default shall on the like conviction be liable to the like fine or to imprisonment, with or without hard labour, for a term not exceeding six months.

Additional  
provisions as  
to trading  
with enemy.

**10.**—(1) Section one of the principal Act shall apply to a person who during the present war attempts, or directly or indirectly offers or proposes or agrees, or has since the fourth day of August nineteen hundred and fourteen attempted or directly or indirectly offered or proposed or agreed, to trade with the enemy within the meaning of that Act in like manner as it applies to a person who so trades or has so traded.

(2) If any person without lawful authority in anywise aids or abets any other person, whether or not such other person is in the United Kingdom, to enter into, negotiate, or complete any transaction or do any act which, if effected or done in the United Kingdom by such other person, would constitute an offence of trading with the enemy within the meaning of the principal Act, he shall be deemed to be guilty of such an offence.

(3) If any person without lawful authority deals, or attempts, or offers, proposes or agrees, whether directly or indirectly, to deal with any money or security for money or other property which is in his hands or over which he has any claim or control for the purpose of enabling an enemy to obtain money or credit thereon or thereby shall be deemed to be guilty of the offence of trading with the enemy within the meaning of the principal Act.

**11.**—(1) In addition to the grounds on which an application can be made to the court by the Board of Trade to appoint a controller under section three of the principal Act, such an application may be made in any case in which the Board think it is expedient in the public interest that a controller should be appointed owing to circumstances or considerations arising out of the present war, and that section shall be construed accordingly.

Additional ground for appointment of controller.

(2) Section three of the principal Act, as amended by this section, shall extend so as to enable a controller to be appointed of a business carried on by a person in like manner as it applies to the appointment of a controller of a business carried on by a firm.

**12.**—(1) Where, on the report of an inspector appointed to inspect the books and documents of a person, firm, or company under section two of the principal Act, it appears to the Board of Trade that it is expedient that the business should be subject to frequent inspection or constant supervision, the Board of Trade may appoint that inspector or some other person to supervise the business with such powers as the Board of Trade may determine, and any remuneration payable and expenses incurred, whether for the original inspection or the subsequent supervision to such amount as may be fixed by the Board of Trade, shall be paid by the said person, firm, or company.

Amendment of s. 2 of principal Act.

(2) Paragraph (c) of subsection (2) of section two of the principal Act shall have effect and shall be deemed always to have had effect as if for the word "trading," there were substituted the word "resident."

**13.** Where a person has given any information to a person appointed to inspect the books and documents of a person, firm, or company under section two of the principal Act, the information so given may be used in evidence against him in any proceedings relating to offences of trading with the enemy within the meaning of the principal Act, notwithstanding that he only gave the information on being required so to do by the inspector, in pursuance of his powers under the said section.

Power to use information in evidence against informant.

**14.**—(1) This Act may be cited as the Trading with the Enemy Amendment Act, 1914, and shall be construed as one with the principal Act.

Short title and construction.

(2) No person or body of persons shall, for the purposes of this Act, be treated as an enemy who would not be so treated for the purpose of any proclamation issued by His Majesty dealing with trading with the enemy for the time being in force, and the expression "commencement of the present war" shall mean as respects any enemy the date on which war was declared

by His Majesty on the country in which that enemy resides or carries on business.

30 & 31 Vict.  
c. 97.

(3) In the application of this Act to Scotland “real property” shall mean “heritable property”; “personal property” shall mean “moveable property”; “choses in action” shall mean “right of action”; “attached or otherwise taken in execution” shall mean “arrested in execution or in security, or otherwise affected by diligence”; “assignment” shall mean “assignation”; “judgment has been recovered” shall mean “decree has been obtained”; a reference to a vesting order made under the Trustee Act, 1893, shall be construed as a reference to a warrant to complete a title granted under section twelve of the Trusts (Scotland) Act, 1867, and any money paid into the Court of Session in terms of this Act shall be paid in such manner as may be prescribed by Act of sederunt.

(4) Nothing in this Act shall be construed as limiting the power of His Majesty by proclamation to prohibit any transaction which is not prohibited by this Act, or by licence to permit any transaction which is so prohibited.

## 2. Proclamations and Licences.(a)

(1) THE TRADING WITH THE ENEMY PROCLAMATION, No. 2. DATED SEPTEMBER 9, 1914.(b)

1914. No. 1376.

BY THE KING.

A Proclamation relating to Trading with the Enemy.

*George R.I.*

Whereas a state of War has existed between Us and the German Empire as from 11 p.m. on August 4th, 1914,(c) and a state of War has existed between Us and the Dual Monarchy of Austria-Hungary as from midnight on August 12th, 1914:(d)

And whereas it is contrary to law for any person resident, carrying on business or being in Our Dominions, to trade or have any commercial or financial transactions with any person resident or carrying on business in the German Empire or Austria-Hungary without Our permission:

(a) The Licences permitting transactions by or with branches of certain enemy banks are printed under the heading “BRANCHES OF ENEMY BANKS” at pp. 156–158 below.

(b) This Proclamation was published in the “London Gazette” of September 9th, 1914, being the 2nd Supplement to the Gazette of September 8th; in the “Edinburgh Gazette” of September 11th, 1914; and in the “Dublin Gazette” of September 10th, 1914, being a Supplement to the Gazette of September 8th.

(c) See Notification of August 4th, printed at p. 1 of the Manual of Emergency Legislation.

(d) See Notification of August 12th, 1914, printed at p. 1 of the Manual of Emergency Legislation.

And whereas by Our Proclamation of the 5th August, 1914,(a) relating to trading with the Enemy, certain classes of transactions with the German Empire were prohibited:

And whereas by paragraph 2 of Our Proclamation of the 12th August, 1914,(b) the said Proclamation of the 5th August, 1914, was declared to be applicable to Austria-Hungary:

And whereas it is desirable to restate and extend the prohibitions contained in the former Proclamations, and for that purpose to revoke the Proclamation of the 5th August, 1914, and paragraph 2 of the Proclamation of the 12th August, 1914, and to substitute this Proclamation therefor:

And whereas it is expedient and necessary to warn all persons resident, carrying on business or being in Our Dominions, of their duties and obligations towards Us, Our Crown, and Government:

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation declaring and it is hereby declared as follows:—

1. The aforesaid Proclamation of the 5th August, 1914, relating to trading with the Enemy, and paragraph 2 of the aforesaid Proclamation of the 12th August, 1914, together with any public announcement officially issued in explanation thereof, are hereby, as from the date hereof, revoked, and from and after the date hereof, this present Proclamation is substituted therefor.

2. The expression “enemy country” in this Proclamation means the territories of the German Empire and of the Dual Monarchy of Austria-Hungary, together with all the colonies and dependencies thereof.(c)

3. The expression “enemy” in this Proclamation means any person or body of persons of whatever nationality resident or carrying on business in the enemy country, but does not include persons of enemy nationality who are neither resident nor carrying on business in the enemy country. In the case of incorporated bodies, enemy character attaches only to those incorporated in an enemy country.

4. The expression “outbreak of war” in this Proclamation means 11 p.m. on the 4th August, 1914,(d) in relation to the German Empire, its colonies and dependencies, and midnight on

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(a) This revoked Proclamation is printed at pp. 375, 376 of the Manual of Emergency Legislation.

(b) Printed at p. 97 of the Manual of Emergency Legislation.

(c) Article 3 of the Proclamation of November 5th, 1914, relating to the War with Turkey (printed at p. 188 of Supplement No. 2 to the Manual of Emergency Legislation) provides that the words “enemy country” in this Proclamation shall include the Dominions of His Imperial Majesty the Sultan of Turkey other than Egypt, Cyprus, and any territory in the occupation of His Majesty the King or His Allies. Egypt is now a British Protectorate (see Notification of December 18th, 1914, printed at p. 371 of Supplement No. 3 to the Manual) and Cyprus is now a British Possession (see The Cyprus (Annexation) Order in Council printed at p. 76 of Supplement No. 2 to the Manual).

(d) See Notification of August 4th of a state of war with Germany, printed at p. 1 of the Manual of Emergency Legislation.



the 12th August, 1914,<sup>(a)</sup> in relation to Austria-Hungary, its colonies and dependencies.<sup>(b)</sup>

5. From and after the date of this Proclamation the following prohibitions shall have effect, (save so far as licences may be issued as hereinafter provided), and We do hereby accordingly warn all persons resident, carrying on business or being in Our Dominions—

- (1) Not to pay any sum of money to or for the benefit of an enemy.
- (2) Not to compromise or give security for the payment of any debt or other sum of money with or for the benefit of an enemy.
- (3) Not to act on behalf of an enemy in drawing, accepting, paying, presenting for acceptance or payment, negotiating or otherwise dealing with any negotiable instrument.
- (4) Not to accept, pay, or otherwise deal with any negotiable instrument which is held by or on behalf of an enemy, provided that this prohibition shall not be deemed to be infringed by any person who has no reasonable ground for believing that the instrument is held by or on behalf of an enemy.
- (5) Not to enter into any new transaction, or complete any transaction already entered into with an enemy in any stocks, shares, or other securities.
- (c)(6) *Not to make or enter into any new marine, life, fire or other policy or contract of insurance with or for the benefit of an enemy; nor to accept, or give effect to any insurance of, any risk arising under any policy or contract of insurance (including re-insurance) made or entered into with or for the benefit of an enemy before the outbreak of War.*
- (7) Not directly or indirectly to supply to or for the use or benefit of, or obtain from, an enemy country or an enemy, any goods, wares or merchandise, nor directly or indirectly to supply to or for the use or benefit of, or obtain from any person any goods, wares or merchandise, for or by way of transmission to or from an enemy country or an enemy, nor directly or indirectly to trade in or carry any goods, wares or merchandise destined for or coming from an enemy country or an enemy.

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(a) See Notification of August 12th of a state of war with Austria-Hungary, printed at p. 1 of the Manual of Emergency Legislation.

(b) Article 1 of the Proclamation of November 5th, 1914, relating to the War with Turkey (printed at p. 188 of Supplement No. 2 to the Manual of Emergency Legislation) provides that this Proclamation shall apply to the state of war between His Majesty the King and the Sultan of Turkey as from the 5th day of November, 1914.

(c) Paragraph 5 (6) was revoked and another heading substituted therefor as from October 8th, 1914, by Proclamation of that date printed at p. 142 below.

- (8) Not to permit any British ship to leave for, enter or communicate with, any port or place in an enemy country.
- (9) Not to enter into any commercial, financial or other contract or obligation with or for the benefit of an enemy.
- (10) Not to enter into any transactions<sup>(a)</sup> with an enemy if and when they are prohibited by an Order of Council made and published on the recommendation of a Secretary of State, even though they would otherwise be permitted by law or by this or any other Proclamation.

And we do hereby further warn all persons that whoever in contravention of the law shall commit, aid, or abet any of the aforesaid acts, is guilty of a crime and will be liable to punishment and penalties accordingly.

6. Provided always that where an enemy has a branch locally situated in British, allied, or neutral territory, not being neutral territory in Europe, transactions by or with such branch shall not be treated as transactions by or with an enemy.<sup>(b)</sup>

7. Nothing in this Proclamation shall be deemed to prohibit payments by or on account of enemies to persons resident, carrying on business or being in Our Dominions, if such payments arise out of transactions entered into before the outbreak of War or otherwise permitted.

8. Nothing in this Proclamation shall be taken to prohibit anything which shall be expressly permitted by Our licence, or by the licence given on Our behalf by a Secretary of State,<sup>(c)</sup> or the Board of Trade,<sup>(d)</sup> whether such licences be especially granted to individuals or be announced as applying to classes of persons.

9. This Proclamation shall be called the Trading with the Enemy Proclamation, No. 2.

Given at Our Court at Buckingham Palace, this Ninth day of September, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God Save the King.

(a) As to application of paragraph 5 (10) as regards persons carrying on business or being in His Majesty's Dominions beyond the Seas, *see* Proclamation of October 8th, 1914, printed at p. 142 below.

(b) As respects banking business or business of any kind with branches outside the United Kingdom of an enemy bank *see* paragraph 1 of the Proclamation of January 7th, 1915, printed at p. 147 below.

(c) *See* Licence of September 22nd, 1914 (as to payments, exchange transactions, and receipts) given by the Secretary of State, printed at p. 140 below, and Licence of October 14th, 1914, of the Secretary of State permitting certain transactions by branches of German and Austrian banks, printed at p. 156 below.

(d) *See* Licences given by the Board of Trade, dated September 25th, 1914 (as to payment of freight and other charges in respect of enemy ships), and printed at p. 140 below, and November 4th, 1914, printed at p. 145 below (as to patents, designs and trade marks), and Board's Announcement of September 27th, as to procedure to be adopted by cargo owners to safeguard their interests, printed at p. 141 below. The power to grant licences is now also exercisable by the Treasury. *See* paragraph 2 of Proclamation of January 7th, 1915, printed at p. 147 below.

- (2) LICENCE GRANTED BY THE SECRETARY OF STATE, SEPTEMBER 22, 1914, UNDER THE TRADING WITH THE ENEMY PROCLAMATION, No. 2, PERMITTING CERTAIN PAYMENTS, EXCHANGE TRANSACTIONS AND RECEIPTS.(a)

Whereas by paragraph 5 (1) of the Trading with the Enemy Proclamation No. 2,(b) dated September 9th, 1914, the payment of any sum of money to or for the benefit of any person or body of persons resident in the territories of the German Empire or in the Dual Monarchy of Austria-Hungary or in the respective colonies and dependencies thereof, in this licence and in the said Proclamation referred to as "enemy country," is prohibited:

And whereas by paragraph 8 of the said Proclamation it is provided that nothing in the Proclamation shall be taken to prohibit anything which shall be expressly permitted by the licence of a Secretary of State, whether such licence be expressly granted to individuals or be announced as applying to classes of persons:

Now I, the Right Honourable Reginald McKenna, one of His Majesty's Principal Secretaries of State, hereby authorize such persons as may be empowered by the Lords Commissioners of His Majesty's Treasury in that behalf to make such payments and to carry out such exchange transactions for the benefit of persons resident in an enemy country as their Lordships may from time to time sanction, or to receive payment of monies from persons resident in an enemy country in such cases as their Lordships may from time to time sanction.

*R. McKenna.*

Home Office, Whitehall,  
22nd September, 1914.

- (3) LICENCE GRANTED BY THE BOARD OF TRADE, SEPTEMBER 25, 1914, UNDER THE TRADING WITH THE ENEMY PROCLAMATION, No. 2, PERMITTING BRITISH OWNERS OF CARGO LYING IN NEUTRAL PORTS IN ENEMY-OWNED SHIPS TO PAY FREIGHT.(a)

Whereas by paragraph 5 of the Trading with the Enemy Proclamation, No. 2,(b) dated the ninth day of September, 1914, all persons resident, carrying on business, or being in the King's Dominions were prohibited from doing certain things save so far as licences might be issued enabling them so to do.

And whereas by paragraph 8 of the aforesaid Proclamation it is provided that nothing in such Proclamation shall be taken to prohibit anything which shall be expressly permitted by the King's licence or by the licence given on His behalf by a Secretary of State or the Board of Trade, whether such licences be especially granted to individuals or be announced as applying to classes of persons.

(a) This Licence was published in the "London Gazette" of September 25th, 1914; in the "Edinburgh Gazette" of September 29th, 1914; and in the "Dublin Gazette" of September 29th, 1914.

(b) Printed at pp. 136-139 above.

Now, therefore, the Board of Trade hereby announce that British owners of cargo now lying in a neutral port in a ship owned by an enemy may for the purpose of obtaining possession of such cargo pay freight and other necessary charges to the Agent of the shipowner at such port.

*G. S. Barnes,*

A Secretary to the Board of Trade.

Board of Trade, S.W.,  
25th September, 1914.

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(4) BOARD OF TRADE ANNOUNCEMENT OF SEPTEMBER 27, 1914, AS TO  
BRITISH CARGOES IN ENEMY SHIPS IN NEUTRAL PORTS.

In response to numerous inquiries with regard to the procedure to be adopted by the owners of British cargo in enemy ships in neutral ports in order to safeguard their interests, the Board of Trade, on the recommendation of the Committee on Diverted Cargoes, offer the following suggestions and observations:—

(1) The Foreign Office have issued instructions to British Consuls to give all possible assistance to British owners of cargo in enemy ships.

(2) In the case of the sale or attempted sale of the cargo by the Master of the ship, it may be open to the owner of the cargo to obtain redress by legal proceedings in the local courts, and the owner of the cargo, if he desires to take such proceedings, should, whenever practicable, instruct local agents to take the necessary steps.

(3) If, in lieu of such action, the owner of the cargo desires to arrange for the delivery of the cargo itself, or of the proceeds, if the cargo has been sold, he should give a power of attorney to a local agent with authority to arrange for the transshipment or storage of the cargo, or to receive the proceeds. This transaction would probably involve the payment to the Master of the ship of the freight and other charges.

The Board of Trade, in pursuance of their powers under paragraph 8 of the Trading with the Enemy Proclamation, No. 2, dated 9th September 1914,<sup>(a)</sup> have decided that payments may be made by British subjects to the agents of enemy shipowners for the purpose of obtaining possession of their cargoes in neutral ports.<sup>(b)</sup>

Board of Trade,  
27th September, 1914.

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(a) Paragraph 8 is printed at p. 139 above.

(b) See Licence of September 25th granted by the Board and printed at p. 140 above.

*Supplement :—Proclamation amending the Trading with the Enemy Proclamation No. 2.*

(5) PROCLAMATION, DATED OCTOBER 8, 1914,(a) AMENDING THE TRADING WITH THE ENEMY PROCLAMATION No. 2.

1914. No. 1479.

BY THE KING.

A Proclamation relating to Trading with the Enemy.

*George R.I.*

Whereas it is desirable to amend Our Proclamation of the 9th September, 1914, called "The Trading with the Enemy Proclamation, No. 2"(b):

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation declaring and it is hereby declared as follows:—

1. Paragraph 5, heading (6), of the Trading with the Enemy Proclamation, No. 2, is hereby revoked, and in lieu thereof the following heading shall be inserted in the said Paragraph 5 as from the date hereof:—

(6) "Not to make or enter into any new marine, life, fire or other policy or contract of insurance (including re-insurance) with or for the benefit of an enemy; nor to accept, or give effect to any insurance of, any risk arising under any policy or contract of insurance (including re-insurance) made or entered into with or for the benefit of an enemy before the outbreak of war; and in particular as regards Treaties or Contracts of re-insurance current at the outbreak of war to which an enemy is a party or in which an enemy is interested not to cede to the enemy or to accept from the enemy under any such Treaty or Contract any risk arising under any policy or contract of insurance (including re-insurance) made or entered into after the outbreak of war, or any share in any such risk."

2.—(1) The expression "Order of Council made and published on the recommendation of a Secretary of State" in Paragraph 5, heading (10), of the Trading with the Enemy Proclamation, No. 2, shall, as regards persons resident carrying on business or being in Our Dominions beyond the Seas, be taken to mean an Order of the Governor in Council published in the Official Gazette.

(2) The expression "Governor in Council" in this Paragraph means as respects Canada the Governor-General of Canada in Council, as respects India the Governor-General of India in Council, as respects Australia the Governor-General of Australia in Council, as respects New Zealand the Governor of New Zealand in Council, as respects the Union of South Africa the Governor-General of the Union of South Africa in Council, as respects

(a) This Proclamation was published in the "London Gazette" of October 8th, 1914, being a Supplement to the Gazette of October 6th; in the "Edinburgh Gazette" of October 9th, 1914; and in the "Dublin Gazette" of October 9th.

(b) Printed at pp. 136-139 above.

Newfoundland the Governor of Newfoundland in Council, and as respects any other British Possession the Governor of that Possession in Council.

3. The power to grant licences on Our behalf vested by Paragraph 8 of the Trading with the Enemy Proclamation, No. 2, in a Secretary of State may be exercised in Canada, India, Australia and the Union of South Africa by the Governor-General, and in any British Possession not included within the limits of Canada, India, Australia or South Africa by the Governor.

4. In this Proclamation the expression "Governor-General" includes any person who for the time being has the powers of the Governor-General, and the expression "Governor" includes the Officer for the time being administering the Government.

5. Notwithstanding anything contained in Paragraph 6 of the Trading with the Enemy Proclamation, No. 2, where an enemy has a branch locally situated in British, allied or neutral, territory, which carries on the business of insurance or re-insurance of whatever nature, transactions by or with such branch in respect of the business of insurance or re-insurance shall be considered as transactions by or with an enemy.

6. This Proclamation shall be read as one with the Trading with the Enemy Proclamation, No. 2.

Given at Our Court at Buckingham Palace, this Eighth day of October, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God save the King.

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(6) PROCLAMATION, DATED OCTOBER 26, 1914, EXTENDING THE PROHIBITIONS CONTAINED IN THE TRADING WITH THE ENEMY PROCLAMATION, No. 2.(a)

1914. No. 1569.

BY THE KING.

A Proclamation extending the Prohibitions contained in the Proclamation of the 9th September, 1914, relating to Trading with the Enemy.

*George R.I.*

Whereas by Our Proclamation dated the 9th day of September, 1914, called the Trading with the Enemy Proclamation, No. 2.(b) certain prohibitions, as therein more specifically set forth, were imposed upon all persons therein referred to:

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(a) This Proclamation was published in the "London Gazette" of October 26th, 1914, being the 2nd Supplement to the Gazette of October 23rd; in the "Edinburgh Gazette" of October 27th, 1914; and in the "Dublin Gazette" of October 27th, 1914.

(b) Printed at pp. 136-139 above.

*Extension of Prohibitions of Trading with the Enemy  
Proclamation, No. 2.*

And whereas by Our Proclamation dated the 30th day of September, 1914,(a) the prohibitions contained in the Trading with the Enemy Proclamation, No. 2, were extended, and the importation of sugar was prohibited as therein more specifically set forth :

And whereas by Our Proclamation dated the 8th day of October, 1914,(b) Our Proclamation of the 9th September, 1914, called the Trading with the Enemy Proclamation, No. 2, was amended as therein more specifically set forth :

And whereas it is desirable to revoke Our Proclamation dated the 30th day of September, 1914 : (a)

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation declaring, and it is hereby declared, as follows :—

1. The aforesaid Proclamation of the 30th day of September(a) is hereby as from the date hereof revoked, and from and after the date hereof this present Proclamation is substituted therefor.

2. The importation into the United Kingdom of all sugar is hereby prohibited, provided that the foregoing prohibition shall not extend to sugar (not being raw or refined sugar made or produced by an enemy or in an enemy country, or refined sugar made or produced from raw sugar made or produced by an enemy or in an enemy country)—

(a) cleared from the port of shipment to this country on or before the 26th October, 1914;

(b) imported under contract made prior to the 4th August, 1914.

3. Nothing in this Proclamation shall be taken to prohibit anything which shall be expressly permitted by Our licence, or by the licence given on Our behalf by a Secretary of State or the Board of Trade, whether such licence be granted especially to individuals or be announced as applying to classes of persons.

4. The words “ enemy ” and “ enemy country ” and “ person ” shall have the same meaning in this Our Proclamation as in Our said Proclamation of the 9th day of September, 1914.(c)

Given at Our Court at Buckingham Palace, this Twenty-sixth day of October, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of Our Reign.

God Save the King.

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(a) The revoked Proclamation of September 30th, 1914, is printed at pp. 384, 385 of the Manual of Emergency Legislation.

(b) Printed at p. 142 above.

(c) See footnote (c) to that Proclamation as printed at p. 137 above.

*Licence under Trading with Enemy Proclamation No. 2  
as amended, permitting payment of certain Patent  
Office Fees.*

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- (7) LICENCE GRANTED BY THE BOARD OF TRADE, NOVEMBER 4, 1914, UNDER THE TRADING WITH THE ENEMY PROCLAMATION No. 2, AS AMENDED BY PROCLAMATION OF OCTOBER 8TH, 1914, PERMITTING PAYMENT OF CERTAIN FEES IN RESPECT OF PATENTS, DESIGNS AND TRADE MARKS.(a)

*Board of Trade, Whitehall.*

Whereas by Royal Proclamation relating to Trading with the Enemy, dated the 9th day of September, 1914,(b) it was, amongst other things, declared as follows:—

“The expression ‘enemy country’ in this Proclamation means the territories of the German Empire and of the Dual Monarchy of Austria-Hungary, together with all the Colonies and Dependencies thereof.

“The expression ‘enemy’ in this Proclamation means any person or body of persons of whatever nationality resident or carrying on business in the enemy country, but does not include persons of enemy nationality who are neither resident nor carrying on business in the enemy country. In the case of incorporated bodies enemy character attaches only to those incorporated in an enemy country.”

And whereas it was also declared by the said Proclamation that from and after the date of the said Proclamation the persons therein referred to were prohibited from doing certain acts therein more specifically mentioned:

And whereas it was further declared by the said Proclamation as follows:—

“Nothing in this Proclamation shall be taken to prohibit anything which shall be expressly permitted by Our licence or by the licence given on our behalf by a Secretary of State or the Board of Trade whether such licences be specially granted to individuals or be announced as applying to classes of persons.”

And whereas in pursuance of the powers conferred by the Trading with the Enemy Proclamation No. 2 the Board of Trade, acting on behalf of His Majesty by licence dated the 23rd day of September, 1914,(c) granted licence to the persons therein referred to to pay the fees therein more specifically mentioned:

And whereas by Proclamation dated the 8th day of October, 1914,(d) the said Proclamation dated the 9th day of September,

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(a) This licence was published in the “London Gazette” of November 6th, 1914; and in the “Edinburgh Gazette” of November 10th, 1914.

(b) The Trading with the Enemy Proclamation No. 2, printed at pp. 136–139 above.

(c) The revoked Board of Trade Licence of September 23rd, 1914, is printed at p. 381 of the Manual of Emergency Legislation.

(d) Printed at p. 142 above.



*Proclamation of January 7, 1915, as to Trading with the Enemy.*

1914, called the Trading with the Enemy Proclamation No. 2, was amended as therein more specifically set forth, and the said Proclamation of the 8th day of October, 1914, was to be read as one with the Trading with the Enemy Proclamation No. 2:

And whereas in consequence of the provisions of the said Proclamation dated the 8th day of October, 1914, it is desirable to restate and modify the provisions contained in the before-recited licence dated the 23rd day of September, 1914.

Now, therefore, the Board of Trade, acting on behalf of His Majesty, and in pursuance of the power reserved in the said Proclamation and all other powers thereunto them enabling, do hereby revoke the said licence dated the 23rd day of September, 1914, and do hereby give and grant licence to all persons resident, carrying on business or being in the United Kingdom

To pay any fees necessary for obtaining the grant or for obtaining the renewal of patents or for obtaining the registration of Designs or Trade Marks or the renewal of such registration in an "enemy country";

And also to pay on behalf of an "enemy" any fees payable in the United Kingdom on application for or renewal of the grant of a patent or on application for the registration of Designs or Trade Marks or the renewal of such registration.

Dated this 4th day of November, 1914.

*H. Llewellyn Smith,*  
Secretary to the said Board.

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- (8) PROCLAMATION, DATED JANUARY 7, 1915, EXTENDING THE TRADING WITH THE ENEMY PROCLAMATION (No. 2) AND THE PROCLAMATION OF OCTOBER 8TH, 1914, AMENDING THE SAME. (a)

1915. No. 3.

BY THE KING.

A Proclamation relating to Trading with the Enemy.

*George R.I.*

Whereas by Our Proclamation dated the 9th day of September, 1914, called the Trading with the Enemy Proclamation, No. 2, (b) certain prohibitions as therein more specifically set forth, were imposed upon all persons therein referred to:

And whereas by Our Proclamation dated the 8th day of October, 1914, (c) the Trading with the Enemy Proclamation No. 2 (b) was amended as therein more specifically set forth:

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(a) This Proclamation was published in the "London Gazette" of January 7th, 1915, being the 2nd Supplement to the Gazette of January 5th; in the "Edinburgh Gazette" of January 8th, 1915; and in the "Dublin Gazette" of January 8th, 1915.

(b) Printed at pp. 136-139 above.

(c) Printed at p. 142 above.

And whereas by Our Proclamation dated the 5th day of November, 1914,(a) it was declared that the aforesaid Proclamations, amongst others, should apply to the state of war existing between Us and the Sultan of Turkey :

And whereas it is desirable to extend the scope of the prohibitions contained in the aforesaid Proclamations in the manner hereinafter appearing :

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, declaring, and it is hereby declared, as follows :—

1. Notwithstanding anything contained in paragraph 6 of the Trading with the Enemy Proclamation No. 2.(b) transactions hereafter entered into by persons firms or companies resident carrying on business or being in the United Kingdom

(a) in respect of banking business with a branch situated outside the United Kingdom of an enemy person firm or company, or

(b) in respect of any description of business with a branch situated outside the United Kingdom of an enemy bank,

shall be considered as transactions with an enemy :

Provided that the acceptance payment or other dealing with any negotiable instrument which was drawn before the date of this Proclamation shall not, if otherwise lawful, be deemed to be a transaction hereafter entered into within the meaning of this paragraph.

2. The power to grant licences on Our behalf vested by paragraph 8 of the Trading with the Enemy Proclamation No. 2.(b) in a Secretary of State, or the Board of Trade, may also be exercised by the Lords Commissioners of Our Treasury.(c)

3. If the Governor in Council of any British possession shall issue a Proclamation extending the provisions of this Proclamation to transactions by persons firms or companies resident carrying on business or being in that possession such first mentioned Proclamation shall have effect as if it were part of this Proclamation.(d)

4. This Proclamation shall be read as one with the Trading with the Enemy Proclamation No. 2.(b) and with Our Proclamation dated the 8th day of October(e) amending the same.

Given at Our Court at Buckingham Palace, this Seventh day of January, in the year of our Lord one thousand nine hundred and fifteen, and in the Fifth year of Our Reign.

God save the King.

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(a) Printed at p. 188 of Supplement No. 2 to the Manual of Emergency Legislation.

(b) Printed at pp. 136-139 above.

(c) See the Licences granted by the Treasury permitting certain transactions by and with branches of Turkish banks printed at pp. 157, 158 below.

(d) Proclamations adopting the provisions of this Proclamation were issued in Canada on January 15th, 1915, in Newfoundland on January 19th, 1915, and in the Commonwealth of Australia on February 18th, 1915.

(e) Printed at p. 142 above.

(9) TREASURY EXPLANATORY STATEMENT, APPEARING IN THE PRESS, THURSDAY, FEBRUARY 4TH, WITH REGARD TO BANKING TRANSACTIONS WITH BRANCHES OF ENEMY FIRMS, &c.

As some misunderstanding has arisen with regard to the Proclamation of the 7th January relating to Trading with the Enemy,<sup>(a)</sup> it may be as well to explain that it was not intended, nor is it proposed, to interfere by this Proclamation with *bonâ fide* commercial transactions simply on the ground that they may involve some financial operation which technically comes within the meaning of the words "banking business," if that operation is merely incidental to the transaction, and does not affect the general character of the transaction, as a commercial (distinguished from a banking) transaction.

Nor was it intended, nor is it proposed, to interfere by this Proclamation with transactions of British banks or their branches with firms which do not do banking business or which, in carrying out the special transaction, are acting in the ordinary way of commerce, and not in any way as bankers, so long as those transactions are permissible independently of the Proclamation.

Licences will also be granted in proper cases to British banking firms having branches in neutral countries, not being neutral countries in Europe, enabling them to continue their banking business notwithstanding that the business, by bringing them into contact at some point or another with branches of enemy banks, may technically be within the prohibition of the Proclamation.

Treasury Chambers, Whitehall, S.W.  
3rd February, 1915.

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(10) THE TRADING WITH THE ENEMY (OCCUPIED TERRITORY) PROCLAMATION, 1915. DATED FEBRUARY 16, 1915.<sup>(b)</sup>

1915. No. 140.

BY THE KING.

A Proclamation relating to Trading with the Enemy  
(Occupied Territory).

*George R.I.*

Whereas, as a result of the present war, certain territory forming part of the territory of an enemy country, is or may

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(a) Printed at p. 146 above.

(b) This Proclamation was published in the "London Gazette" of February 16th, 1915, being a Supplement to the Gazette of February 16th; in the "Edinburgh Gazette" of February 18th, 1915, being a Supplement to the Gazette of February 16th; and in the "Dublin Gazette" of February 19th, 1915.

be in the effective military occupation of Us or Our Allies, or of a Neutral State (in this Proclamation referred to as "territory in friendly occupation"), and certain territory forming part of Our territory or of that of an allied or neutral State, is or may be in the effective military occupation of an enemy (in this Proclamation referred to as "territory in hostile occupation"):

And whereas it is expedient in Our interest and in that of Our Allies that the Proclamations relating to trading with the enemy should apply to territory in friendly occupation as they apply to Our territory or that of Our Allies, and should apply to territory in hostile occupation as they apply to an enemy country:

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation declaring, and it is hereby declared, as follows:—

1. The Proclamations for the time being in force relating to trading with the enemy<sup>(a)</sup> shall apply to territory in friendly occupation as they apply to Our territory or that of Our Allies, and to territory in hostile occupation as they apply to an enemy country.

2. Any references to the outbreak of the war in any Proclamation so applied shall, as respects territory in friendly or hostile occupation, be construed as references to the time at which the territory so became in friendly or hostile occupation.

3. The certificate of any person authorised by a Secretary of State to give such certificates that any territory is in friendly or hostile occupation within the meaning of this Proclamation, or as to the time at which any territory so became or ceased to be territory in friendly or hostile occupation, shall, for the purposes of this Proclamation, be final and conclusive.

4. Nothing in this Proclamation shall be taken to prohibit anything which may be expressly permitted by Our Licence or by a licence given on Our behalf by a Secretary of State, or the Board of Trade, or the Lords Commissioners of Our Treasury, whether such licences be specially granted to individuals or be announced as applying to classes of persons, or to prohibit any special arrangements which may be made by any such licence or otherwise with Our authority for special treatment of any occupied territory or persons in any such occupied territory entitled to such special treatment.

5. This Proclamation shall be called the Trading with the Enemy (Occupied Territory) Proclamation, 1915.

Given at Our Court at Buckingham Palace, this Sixteenth day of February, in the year of our Lord one thousand nine hundred and fifteen, and in the Fifth year of Our Reign.

God save the King.

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(a) The other Proclamations now (June 4th, 1915) in force are dated and printed as stated below:—

Proclamation, September 9th, 1914, at pp. 136–139.

„ October 8th, 1914, at p. 142.

„ October 26th, 1914, at p. 143.

„ January 7th, 1915, at p. 146.

- (11) TREASURY ANNOUNCEMENT APPEARING IN THE PRESS, SATURDAY, FEBRUARY 20TH, OF THE FORMATION OF A WAR TRADE DEPARTMENT TO DEAL WITH APPLICATIONS FOR EXPORT AND IMPORT LICENCES AND OF TRANSFERENCE TO TREASURY OF REMAINDER OF WORK OF THE TRADING WITH THE ENEMY COMMITTEE.

The Treasury announce that, in view of the complexity and volume of work involved in dealing with applications for export and import licences during the war, a Department under the Treasury (to be called the War Trade Department) has been formed to replace the Committee on Trade with the Enemy so far as this work is concerned.

At the request of the Prime Minister, the Right Honourable Lord Emmott, G.C.M.G., has consented to act as Director of this Department and Sir Nathaniel Highmore, K.C.B., will be the Secretary.

The War Trade Department will deal with all applications for the grant of export and import licences, and will embrace an Intelligence Division which will serve as a Clearing House for all war commercial information.

The remainder of the work of the Trading with the Enemy Committee (relating to the movements of funds and other questions in which the Treasury is mainly concerned) will be transferred to the Treasury, and will be performed by Sir Arthur Thring, K.C.B., the Parliamentary Counsel, and his staff.

*Exporters and others concerned are informed that in future all applications for licences to export prohibited and restricted goods, and all communications in respect thereof which have hitherto been sent to the Commissioners of Customs and Excise, should be sent to the Secretary, War Trade Department, 4, Central Buildings, Westminster, London, S.W.*

The forms can be obtained on application, either personally or in writing at the address named, and arrangements are in progress for the issue of the forms of application at the Customs House, London, and at the offices of Customs and Excise in certain places in the country. Due notice will be given as soon as these arrangements have been completed.

Treasury Chambers, Whitehall, S.W.,

19th February, 1915.

- (12) NOTIFICATION OF CHANGE OF ADDRESS OF PRIVY COUNCIL EXPORT LICENCE DEPARTMENT.

The Privy Council Office notifies that the Privy Council Export Licence Department will remove on Saturday, 27th February, to the offices of the War Trade Committee, where it will act as the Section for the issuing of export licences in connection with the new War Trade Department. On and after 1st March all communications relating to export licences, which have hitherto been sent to the Licensing Department at Kingsway, or to the Privy Council Office, Whitehall, should be sent to the **Secretary, War Trade Department**, at the address mentioned above.

## VII.—BELGIAN CURRENCY AND BANK NOTES.

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- (1) TREASURY STATEMENT, APPEARING IN THE PRESS, FRIDAY,  
FEBRUARY 5TH, 1915, AS TO BELGIAN CURRENCY NOTES.

The attention of the Treasury has been called to the fact that considerable quantities of Belgian Currency Notes are being offered for sale in London, probably from enemy sources.

Arrangements have been made under which such notes are changed for *bonâ fide* refugees at the Bank of England, and all refugees desiring to exchange notes should apply direct to that Bank.

The purchase of such notes through other channels, either at their face value, or at a discount, should be avoided as likely to be prejudicial to national interests.

Treasury Chambers, Whitehall, S.W.  
.4th February, 1915.

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- (2) PROCLAMATION, DATED MAY 5, 1915, PROHIBITING THE IMPORTATION OF BELGIAN BANK NOTES INTO THE UNITED KINGDOM.

1915. No. 428.

BY THE KING.

A Proclamation for Prohibiting the Importation of Belgian Bank Notes into the United Kingdom.

*George, R.I.*

Whereas it is desirable to prohibit the importation of Belgian Bank Notes into the United Kingdom:

Now, therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation in pursuance of section 43 of the Customs Consolidation Act, 1876,<sup>(a)</sup> and of all other powers enabling Us in that behalf, and We do hereby proclaim, direct and ordain as follows:—

The importation into the United Kingdom of all Belgian Bank Notes is hereby prohibited.

Given at Our Court at Buckingham Palace, this Fifth day of May, in the year of our Lord one thousand nine hundred and fifteen, and in the Fifth year of Our Reign.

God save the King.

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(a) 39 & 40 Vict. c. 36.

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## VIII. BRANCHES OF ENEMY BANKS.

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| 1. <i>Licences to carry on Banking Business</i> , p. 152. | 2. <i>Licences permitting certain Transactions</i> , p. 156. |
|---|--|

### 1. Licences under the Aliens Restriction Orders permitting certain Banks to carry on Business in the United Kingdom.

- (1) LICENCE GRANTED SEPTEMBER 19, 1914, BY THE SECRETARY OF STATE PERMITTING CERTAIN GERMAN BANKS TO CARRY ON BUSINESS.

In pursuance of the powers conferred on me by the Aliens Restriction (No. 2) Order in Council, 1914,(a) made on the tenth day of August, under the Aliens Restriction Act, 1914,(b) I hereby permit

The Deutsche Bank,  
The Dresdner Bank,  
The Disconto-Gesellschaft,

to carry on banking business in the United Kingdom subject to the following limitations, conditions, supervision and requirement as to the deposit of money and securities:—

1. The permission shall extend only to the completion of the transactions of a banking character entered into before the

(a) The Aliens Restriction (No. 2) Order in Council, 1914, is printed at p. 63 of the Manual of Emergency Legislation. That Order was revoked by the Aliens Restriction (Consolidation) Order, 1914, which, as amended by Orders in Council and by Orders of the Secretary of State to April 30th, 1915, is reproduced in consolidated form in Appendix C at the end of Supplement No. 3 to the Manual of Emergency Legislation.

The powers referred to are comprised in Art. 24 of the Consolidation Order which is word for word identical with Article 1 of the earlier (revoked) Order and is as follows:—

Restrictions  
with respect  
to banking.

“24.—(1) An alien enemy shall not carry on or engage in any banking business except with the permission in writing of the Secretary of State, and to such extent and subject to such conditions and supervision as the Secretary of State may direct, and an alien enemy who is or has been carrying on or engaged in banking business shall not, except with the like permission, part with any money or securities in the bank where he is or has been carrying on or engaged in business, and shall, if so required, deposit any such money or securities in such custody as the Secretary of State may direct.

“(2) Any constable, if authorized by a superintendent of police, or officer of higher rank, may, for the purpose of enforcing the provisions of this Article, enter, if necessary by force, and search or occupy any premises in which the business of banking is or has been carried on by an alien enemy.

“(3) For the purposes of this Article, any person who is a member of a firm or a director of a company carrying on banking business in the United Kingdom shall be deemed to be carrying on banking business.”

(b) 4 & 5 Geo. 5. c. 12, printed at pp. 6-8 of the Manual of Emergency Legislation

fifth day of August, 1914, so far as those transactions would, in ordinary course, have been carried out through or with the London establishments. The permission does not extend to any operations for the purposes of making available assets which would ordinarily be collected by, or of discharging liabilities which would ordinarily be discharged by, establishments of the Banks other than the London establishments. No new transactions of any kind save such as may be necessary or desirable for the purpose of the completion of the first mentioned transactions shall be entered into by or on behalf of the London establishments of the Banks.

2. The business to be transacted under this permission shall be limited to such operations as may be necessary for making the realisable assets of the Banks available for meeting their liabilities, and for discharging these liabilities as far as may be practicable.

3. All transactions carried out under this permission shall be subject to the supervision and control of a person to be appointed for the purpose by the Treasury,<sup>(a)</sup> who shall have absolute discretion:

(a) to refuse to permit any payment that may appear to him to be contrary to the interest of the nation;

(b) to permit any such new transactions as are in his opinion necessary or desirable for the purpose of the completion of the transactions first mentioned in paragraph 1.

(c) to permit or to refuse to permit the completion of any particular transaction whatsoever.

4. Any assets of the Banks which may remain undistributed after their liabilities have, so far as possible in the circumstances, been discharged, shall be deposited with the Bank of England to the order of the Treasury.

The permission granted by me on the 10th day of August, 1914,<sup>(b)</sup> is hereby revoked.

*R. McKenna,*

One of His Majesty's Principal  
Secretaries of State.

Home Office,  
Whitehall,  
19th September, 1914.

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(a) The Controller appointed by the Treasury is Sir William Plender, Chartered Accountant, of 5, London Wall Buildings, E.C.

(b) This revoked Licence is printed at p. 249 of Supplement No. 3 to the Manual of Emergency Legislation.



(2) LICENCE GRANTED SEPTEMBER 19, 1914, BY THE SECRETARY OF STATE PERMITTING CERTAIN AUSTRIAN BANKS TO CARRY ON BUSINESS.

In pursuance of the powers conferred on me by the Aliens Restriction (No. 2) Order in Council, 1914,(a) made on the tenth day of August, under the Aliens Restrictions Act, 1914,(b) I hereby permit

The Oesterreichische Laenderbank,  
The Anglo-Austrian Bank,

to carry on banking business in the United Kingdom subject to the following limitations, conditions, supervisions, and requirement as to the deposit of money and securities:—

1. The permission shall extend only to the completion of the transactions of a banking character entered into before the 13th day of August, 1914, so far as those transactions would, in ordinary course, have been carried out through or with the London establishments. The permission does not extend to any operations for the purposes of making available assets which would ordinarily be collected by, or of discharging liabilities which would ordinarily be discharged by, establishments of the Banks other than the London establishments. No new transaction of any kind save such as may be necessary or desirable for the purpose of the completion of the first-mentioned transactions shall be entered into by or on behalf of the London establishments of the Banks.

2. The business to be transacted under this permission shall be limited to such operations as may be necessary for making the realisable assets of the Banks available for meeting their liabilities, and for discharging these liabilities as far as may be practicable.

3. All transactions carried out under this permission shall be subject to the supervision and control of a person to be appointed or the purpose by the Treasury,(c) who shall have absolute discretion:

(a) to refuse to permit any payment that may appear to him to be contrary to the interest of the nation;

(b) to permit any such new transactions as are in his opinion necessary or desirable for the purpose of the completion of the transactions first mentioned in paragraph 1.

(c) to permit or to refuse to permit the completion of any particular transaction whatsoever.

4. Any assets of the Banks which may remain undistributed after their liabilities have, so far as possible in the circumstances, been discharged, shall be deposited with the Bank of England to the order of the Treasury.

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(a) Printed at p. 63 of the Manual of Emergency Legislation. That Order was revoked by the Aliens Restriction (Consolidation) Order, 1914, which as amended by Orders in Council and by Orders of the Secretary of State to April 30th, 1915, is reproduced in Consolidated Form in Appendix C at the end of Supplement No. 3 to the Manual of Emergency Legislation.

(b) 4 & 5 Geo. 5. c. 12, printed at pp. 6-8 of the Manual of Emergency Legislation.

(c) The Controller appointed by the Treasury is Sir William Plender, Chartered Accountant, of 5, London Wall Buildings, E.C.

The permission granted by me on the 13th day of August, 1914,(a) is hereby revoked.

*R. McKenna,*  
One of His Majesty's Principal  
Secretaries of State.

Home Office,  
Whitehall,  
19th September, 1914.

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(3) LICENCE GRANTED NOVEMBER 30, 1914, BY THE SECRETARY OF STATE PERMITTING CERTAIN TURKISH BANKS TO CARRY ON BUSINESS.

In pursuance of the powers conferred on me by the Aliens Restriction (Consolidation) Order, 1914, made on the 9th day of September, 1914,(b) under the Aliens Restriction Act, 1914,(c) I hereby permit—

The Imperial Ottoman Bank,  
The National Bank of Turkey

to carry on banking business at all their establishments situated within the United Kingdom, subject to the following limitations, conditions, and supervision:—

- (1) No transactions shall take place, directly or indirectly, with the establishments of the said Banks situated in enemy territory, or with any persons resident in enemy territory;
- (2) All transactions carried out under this permission shall be subject to the supervision and control of a person to be appointed for the purpose by the Treasury,(d) who shall have absolute discretion to refuse to permit any payment or transaction that may appear to him to be contrary to the interests of the nation.

This permission may be modified or revoked at any time by the Secretary of State.

The permission granted by me on the 5th day of November, 1914,(e) is hereby revoked as from the date hereof.

*R. McKenna,*  
One of His Majesty's Principal  
Secretaries of State.

Home Office,  
Whitehall,  
30th November, 1914.

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(a) This revoked Licence is printed at p. 250 of Supplement No. 3 to the Manual of Emergency Legislation.

(b) Printed at pp. 68-85 of the Manual of Emergency Legislation. That Order, as amended by Orders in Council and by Orders of the Secretary of State to April 30th, 1915, is reproduced in Consolidated Form in Appendix C at the end of Supplement No. 3 to the Manual of Emergency Legislation.

(c) 4 & 5 Geo. c. 12, printed at pp. 6-8 of the Manual of Emergency Legislation.

(d) The Controller appointed by the Treasury is Sir William Plender, Chartered Accountant, of 5, London Wall Buildings, E.C.

(e) This revoked Licence is printed at p. 254 of Supplement No. 3 to the Manual of Emergency Legislation.

*Licence to German and Austrian Banks as to Dividends on, and Transfers of Shares.*

**2. Licences under the Trading with the Enemy Proclamations permitting Transactions by or with Branches of certain Enemy Banks.**

- (1) LICENCE GRANTED BY THE SECRETARY OF STATE, OCTOBER 14, 1914, TO CERTAIN GERMAN AND AUSTRIAN BANKS TO RECEIVE DIVIDENDS ON CERTAIN SHARES AND AS TO TRANSFER OF SUCH SHARES<sup>(a)</sup>.

In pursuance of the powers conferred on me by the Trading with the Enemy Proclamation No. 2, dated September 9th, 1914,<sup>(b)</sup> I hereby authorise

the London Agencies of—

The Deutsche Bank,  
The Dresdner Bank,  
The Disconto-Gesellschaft,  
The Oesterreichische Laenderbank,  
The Anglo-Austrian Bank,

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(a) The following Letter was sent by the Controller of the London Agencies of the various German and Austrian Banks to the Secretary of the Stock Exchange,

5, London Wall Buildings, E.C.,  
8th October, 1914.

SIR,

I duly received your letter of the 2nd inst., upon the subject of which I have been in communication with the Supervisors of the German and Austrian Banks.

- (1.) In cases where the Shares stand in the name of the London Agency of one of these Banks, and that Bank has parted with the ownership of the Shares but is still registered in respect of them, it will as in the past pay any dividends received by it to the real owners of the Shares (provided they are not alien enemies) upon being satisfied as to their ownership by production of the Certificates.
- (2.) The same remark applies to the case of Shares standing in the names of nominees of any of the London Agencies. These gentlemen are officials of the Banks, and if dividends are received by them they will be paid over as in case No. 1.
- (3.) With regard to the case of Shares registered in the name of any one of the Banks, without the London Agency of such Bank being specifically referred to, I am not in a position to say that the dividends will be received in London. If the Shares are in Canadian Companies, they would presumably either be paid to the London Agencies or withheld, as the Companies would not be entitled to pay to Berlin.

American Companies would, however, be under no such restriction, and I am not in a position, therefore, to say that dividends might not be forwarded to Berlin on the instructions of the Berlin office.

If, however, any dividends are received by the London Agencies of the Banks in respect of Shares of which they are not the owners, they will be paid over as above (1 and 2).

I am,

Yours faithfully,

W. PLENDER.

Edward Satterthwaite, Esq.,  
Secretary,

The Stock Exchange, E.C.

(b) Printed at pp. 136-139 above.

to receive dividends payable in connection with any shares registered in the name of the head offices of the said Banks, but held by their London Agencies as nominees on behalf of British or neutral clients; and I also hereby authorise the Secretaries of the Companies concerned to accept transfers of any such shares from the names of the said Banks provided that the transfer has been approved by the Official Supervisor of the said Banks,<sup>(a)</sup> notwithstanding anything in the said Proclamation or in the permission to carry on banking business in the United Kingdom granted by me to the said Banks.<sup>(b)</sup>

*R. McKenna,*  
One of His Majesty's Principal  
Secretaries of State.

Home Office,  
Whitehall.  
14th October, 1914.

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(2) LICENCE GRANTED BY THE TREASURY, JANUARY 8, 1915, PERMITTING TRANSACTIONS BY CERTAIN TURKISH BANKS WITH THEIR ESTABLISHMENTS IN FRANCE, CYPRUS, OR EGYPT, &C.

In pursuance of the powers conferred upon Them by Section 2 of the Proclamation relating to Trading with the Enemy, dated the 7th day of January, 1915,<sup>(c)</sup> the Lords Commissioners of His Majesty's Treasury hereby permit—

The Imperial Ottoman Bank,

The National Bank of Turkey,

notwithstanding anything contained in Section 1 of the said Proclamation to enter into transactions at any or all of their establishments situate in the United Kingdom in respect of banking business with any establishments of the said Banks situate in France, Cyprus, or Egypt, or situate in any part of the Turkish Dominions which may for the time being be occupied by the forces of His Majesty or His Majesty's Allies.

Provided that all such transactions shall be subject to the limitations, conditions, and supervision prescribed in the permission, dated the 30th November, 1914, granted by one of His Majesty's Principal Secretaries of State.<sup>(d)</sup>

This permission may be modified or revoked at any time by the Lords Commissioners of His Majesty's Treasury.

*T. L. Heath.*

Treasury Chambers,  
8th January, 1915.

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(a) The Controller appointed by the Treasury is Sir William Plender, Chartered Accountant, of 5, London Wall Buildings, E.C.

(b) These permissions which were granted to the German and Austrian Banks under the Aliens Restriction (Consolidation) Order, 1914, and the Aliens Restriction (No. 2) Order thereby revoked, are printed at pp. 152-155 above.

(c) Printed at p. 146 above.

(d) The Licence of November 30th, 1914, under the Aliens Restriction (Consolidation) Order, 1914, is printed at p. 155 above.

*Transactions with establishments of Turkish Banks in France,  
Cyprus, or Egypt.*

- (3) LICENCE GRANTED BY THE TREASURY, DATED JANUARY 8, 1915, PERMITTING TRANSACTIONS BY THE PUBLIC WITH ESTABLISHMENTS IN FRANCE, CYPRUS, EGYPT, &C., OF CERTAIN TURKISH BANKS.(a)

In pursuance of the powers conferred upon them by Section 2 of the Proclamation relating to Trading with the Enemy, dated the 7th day of January, 1915,(b) the Lords Commissioners of His Majesty's Treasury hereby permit persons, firms or companies resident, carrying on business or being in the United Kingdom, notwithstanding anything contained in Section 1 of the said Proclamation to enter into transactions in respect of banking business with any establishments of

the Imperial Ottoman Bank,  
the National Bank of Turkey,

situate in France, Cyprus, or Egypt, or situate in any part of the Turkish Dominions which may for the time being be occupied by the forces of His Majesty or His Majesty's allies.

This permission may be modified or revoked at any time by the Lords Commissioners of His Majesty's Treasury.

*T. L. Heath.*

Treasury Chambers,  
8th January, 1915.

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(a) This Licence was published in the "London Gazette" of January 12th, 1915 ; in the "Edinburgh Gazette" of January 12th, 1915 ; and in the "Dublin Gazette" of January 12th, 1915.

(b) Printed at p. 146 above.

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## IX. FOREIGN EXCHANGES.

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1. *Russia*, p. 159. | 2. *United States of America*, p. 160.
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### 1. *Russia*.

PRESS NOTICE ISSUED BY THE TREASURY, DECEMBER 4, 1914;  
RELATIVE TO THE ARRANGEMENTS UNDER WHICH FUNDS HAVE  
BEEN OBTAINED BY THE RUSSIAN GOVERNMENT IN LONDON.

His Majesty's Government agreed with the Russian Government in consideration of the shipment of £8,000,000 in gold from Russia to London which took place a few weeks ago to arrange with the Bank of England to discount under a guarantee of His Majesty's Government Russian Treasury Bills to the further amount of £12,000,000, the rate of discount to be on the basis of the rate at which the British Government has been from time to time able to borrow for its own needs.

By this means the Russian Government obtains funds in England to the total amount of £20,000,000.

Out of this £20,000,000, £8,000,000 is to be applied by the Russian Government for the purpose of providing exchange for Anglo Russian trade. This exchange will be available for new transactions as well as for the discharge of existing indebtedness.

The balance of £12,000,000 is to be used for paying the coupons of the Russian external debt and the interest upon other external obligations of the Russian Government which are payable in London and for financing Russian Government purchases in the United Kingdom. It will not be applied to financing purchases outside the United Kingdom except after consultation with His Majesty's Government in cases where the British market is unable to supply the article required and orders have consequently to be placed in the United States or Canada.

Treasury Chambers,  
Whitehall, S.W.  
December 4, 1914.

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(2) STATEMENT APPEARING IN THE PRESS, MONDAY, FEBRUARY 8TH,  
1915.

The Chancellor of the Exchequer, accompanied by the Governor of the Bank of England and Mr. E. S. Montagu, returned on Saturday evening from Paris, where he proceeded at the beginning of last week for a conference with M. Ribot and M. Bark, the Finance Ministers of France and Russia, on questions affecting

the financial relations of the Allies. At the close of the conference the following statement was communicated to the Press:—

The Finance Ministers of France, Great Britain, and Russia have met together at Paris to examine into the financial questions arising out of the war.

They are agreed in declaring that the three Powers are resolved to unite their financial resources, equally with their military resources, for the purpose of carrying the war to a successful conclusion.

With this aim in view, they have decided to recommend to their respective Governments to take over in equal shares the advances made, or to be made, to the countries which are now fighting with them or which may find themselves in the near future in a position to take up arms for the common cause.

The amount of these advances will be covered by the individual resources of the three Powers as well as by the issue at a suitable opportunity of a loan in the name of the three Powers.

The question of the relations to be established between the Banks of Issue of the three Powers was the subject of a special understanding.

The Ministers have decided to proceed jointly with all purchases which their Governments have occasion to make from neutral countries.

They have adopted the financial measures necessary to facilitate Russian exports and to re-establish, so far as possible, the parity of exchange between Russia and the other Allies.

They have determined to meet again according as circumstances may require. The next conference will be held in London.

Treasury Chambers, Whitehall, S.W.  
7th February, 1915.

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## (2) United States of America.

### (1) TREASURY ANNOUNCEMENT APPEARING IN THE PRESS, FRIDAY, JANUARY 8TH, 1915.

The Treasury announce that, in view of the fact that exchange between the United States of America and the United Kingdom has become practically normal, there is no longer any necessity for further consideration by the two Governments of any plan for the adjustment of balances and any further consideration of the question has been left to the respective banks and bankers of the two countries.

Treasury Chambers, Whitehall, S.W.  
7th January, 1915.

(2) STATEMENT APPEARING IN THE PRESS, SATURDAY,  
JANUARY 16TH, 1915.

In connexion with the announcement by the Treasury on the subject of the American Exchange which appeared in the Press on the 8th inst.,<sup>(a)</sup> we are authorized to state that after a conference held by the Chancellor of the Exchequer with the London bankers, it was resolved:—

That inasmuch as exchange between the United States and the United Kingdom is now substantially normal, no definite action at the present time is required, but that if during the continuance of the war or for one year thereafter the exchanges between the two countries should become such that gold exports from either country to an unreasonable amount might result, committees of bankers shall be appointed in the United States and in the United Kingdom respectively to consider plans for dealing collectively with the situation by such methods as may seem at the time mutually desirable.

It is understood that a similar announcement is appearing to-day in the American Press on behalf of the New York bankers.

Treasury Chambers, Whitehall, S.W.  
15th January, 1915.

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(a) Printed at p. 160 above.



**X.—DEALINGS IN STOCKS AND SHARES.**

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| 1. <i>Stock Exchange Regulations consequential on the Crisis</i> , p. 162. | 2. <i>Re-opening of the Stock Exchange</i> , p. 171. |
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**1. Stock Exchange Regulations consequential on the Crisis.**

[All the Notices, Orders and Resolutions hereunder printed are of the Committee for General Purposes of the Stock Exchange and are signed by the Secretary.

Documents relating to the Stock Exchange Loan Scheme are printed at pp. 38-48 above under the heading "Advances in connection with Stock Exchange Loans."]

**Postponed Settlements.****(1) RESOLUTIONS CONFIRMED JULY 31, 1914.(a)**

The Committee for General Purposes have this day passed and confirmed the following Resolution :—

"That under the provisions of Rule 20 the strict enforcement of Rules 89, 149 and 150 be dispensed with as follows :—

- (1) That the Resolution of the Committee of the 2nd June fixing the Consols Account for the 6th August and the Ordinary Account for the 13th August be rescinded.
- (2) That Bargains open for the August Consols Account be settled at the date fixed for the September Consols Account, namely—Tuesday, 1st September.
- (3) That Bargains open for the Ordinary Mid. August Account be settled at the date fixed for the End August Account, namely, Thursday, the 27th August.
- (4) That Bargains open for the Special Settlements fixed for the 7th August be settled on the 3rd September and those for the 13th August on the 27th August."

The Committee have further resolved :

- "(1) That Continuation Rates for the extended periods based on Alterations in the Bank Rate will be fixed by the Committee.
- (2)(b) *That Members must make arrangements to pay for Securities undelivered on the End July Account.*
- (3) That the Secretary's Office and the Official Assignees' Office shall remain open.

(a) These Resolutions were modified by Resolutions of August 12th, September 4th and October 2nd, all of which are printed below.

(b) Resolution No. 2 was cancelled by the Royal Proclamation of August 6th creating the Moratorium, *see* Notice of August 7th, printed below.

- (4) That Options declarable to-day and on subsequent days while the House is closed must be declared on the due dates.
- (5) That Bargains done for a special date must be completed on that date."

(2) RESOLUTION CONFIRMED AUGUST 4, 1914.

That the repayment of Advances made by or to Members or Non-Members for the Consols Account, for the Mid-August Account or for Special dates be postponed until 1st September or 27th August respectively.

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**Foreign Clerks.**

(3) NOTICE, DATED AUGUST 6, 1914.

The Committee for General Purposes have been asked by the Police Authorities to take steps to obtain the names, addresses and nationalities of all Foreign Clerks employed by the Members of The Stock Exchange, whether admitted or not admitted, naturalized or not naturalized.

Will you be good enough to immediately send to the Secretary's Office the required particulars of any Foreign Clerks in your employ.

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**Moratorium.**

(4) NOTICE DATED AUGUST 7, 1914.

The operation of Resolution No. 2, of the Committee for General Purposes of the 31st July, 1914(a):

"That Members must make arrangements to pay for Securities undelivered on the End July Account," is cancelled by the Royal Proclamation of 6th August creating the Moratorium,(b) but the Committee trust that all Members will notwithstanding make every endeavour to settle all outstanding bargains.

(5) NOTICE DATED AUGUST 11, 1914.(c)

The Royal Proclamation of 6th August, 1914,(b) postponed for one calendar month (or until 4th September, whichever is the later date) all payments under contracts made before 4th August, 1914, and provides that payments so postponed, not carrying

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(a) Those Resolutions are printed at p. 162 above.

(b) That Proclamation is printed at pp. 20-22 above.

(c) This is an amplification of a Notice of the previous day (August 10th) the first paragraph of which was identical with that of August 11th, but the remainder of which was as follows:—

"In view of this provision, that interest is only payable on payments which are specifically demanded and refused, Brokers acting for buyers of Stock, should apply to their Principals for payment in the usual way on the date for which the bargains were originally made and notify them that if payment is not made interest will be charged at the above rate."

interest, shall, if specific demand is made for payment, and payment is refused, carry interest at the Bank of England rate on 7th August (*i.e.*, Six per cent. per annum), but nothing is to prevent previous payments being made.

In view of this provision, that interest is only payable on payments which are specifically demanded and refused, Buyers of Stock should apply to their Principals for payment in the usual way on the date for which the bargains were originally made and notify them that if payment is not made interest will be charged at the above rate.

Sellers of Stock must give notice if they are prepared to deliver their Stock and if payment is refused they will be entitled to charge interest at the above rate from the 13th August.

#### (6) RESOLUTIONS CONFIRMED AUGUST 12, 1914.(a)

In consequence of the Royal Proclamation of 6th August, 1914,(b) the Resolutions of the Committee for General Purposes of the 31st July, 1914,(c) have been duly modified as shown below in italics :—

(1) “That under the provisions of Rule 20 the strict enforcement of Rules 89, 149 and 150 be dispensed with as follows :—

(1) That the Resolutions of the Committee of the 2nd June *and the 6th July* fixing the Consols Account *Days* for August *and September* and the Ordinary Accounts for August *and September* be rescinded.

(2) That Bargains open for the August Consols Account be settled *on the 7th September and those for the September Consols Account on the 1st October.*

(3) That Bargains open for the Ordinary Mid. August Account *be settled on the 14th September and those for the End August Account on the 28th September and the Accounts fixed for the 10th and 25th September be postponed to the 14th and 28th September respectively.*

(4) That Bargains open for the Special Settlements *fixed for the 7th August be settled on the 7th September and those for the 13th August on the 14th September.*”

(2) The Committee have also this day passed and confirmed the following Resolution :—

“That nothing in the above shall suspend or postpone the legal obligations of alien enemies to fulfil bargains made by them before the war.”

(a) These Resolutions were modified by Resolutions of September 4th and October 2nd, both of which are printed at pp. 166 and 167 below.

(b) This Proclamation is printed at pp. 20–22 above.

(c) Those Resolutions are printed at p. 162 above.

(3) The Committee have further Resolved:

- “(a) Continuation Rates for the extended periods are fixed by the *Proclamation* at 6 per cent.
- (b) *Payment for Securities undelivered on the End July Account is postponed by the Proclamation until the 4th September, but the Committee trust that all Members will notwithstanding make every endeavour to settle all outstanding bargains.*
- (c) The Secretary's Office and the Official Assignees' Office shall remain open.
- (d) Options declarable while the House is closed must be declared on the due dates.
- (e) Bargains done for special dates *up to the 3rd September, 1914, inclusive*, must be completed *one calendar month from such dates.*”

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### **Enemy Balances, &c.**

(7) NOTICE, DATED AUGUST 19, 1914.

Brokers holding Balances or Securities for account of Alien Enemies should hold same in suspense and not allow them to be in any way dealt with during continuance of the War, except in satisfaction of legal obligations to British Subjects undertaken before the War.(a)

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### **Quotation of Securities Ex Dividend.**

SECURITIES DELIVERABLE BY DEED OF TRANSFER EXCEPT THOSE DEALT IN IN THE MINING MARKETS AND REGISTERED DEBENTURES.

(8) RESOLUTION, CONFIRMED AUGUST 19, 1914.(b)

*That under Rule 20, in view of the exceptional circumstances now prevailing, the operation of Rule 101 (2) be suspended; that Rule 101 (3) be substituted, and the Securities concerned be quoted “Ex Dividend” on the Account Day following the payment of the dividend.*

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(a) See now s. 3 of the Trading with the Enemy Amendment Act, 1914 (5 Geo. 5. c. 12), printed at p. 130 above, and Notice of November 12, 1914, as to Transactions Open For or With an Enemy, printed at p. 169 below.

(b) This Resolution was rescinded February 1st, 1915.

**Moratorium.****(9) RESOLUTIONS, CONFIRMED SEPTEMBER 4, 1914.(a)**

In consequence of the Royal Proclamations of 6th August(b) and 1st September, 1914,(c) the Resolutions of the Committee for General Purposes of the 31st July(d) and 12th August, 1914,(e) have been duly modified as shown below :—

- (1) “ That under the provisions of Rule 20 the strict enforcement of Rules 89, 149 and 150 be dispensed with as follows :—

(a) That the Resolutions of the Committee of the 2nd June, the 6th July and the 4th August, fixing the Consols Account Days for August, September and October, and the Ordinary Accounts for August and September be rescinded.

(b) That Bargains open for the August Consols Account be settled on the 14th October and those for the September and October Consols Accounts on 5th November.

(c) That Bargains open for the Ordinary Mid. August Account be settled on the 14th October, and those for the End August Account on the 29th October, and the Accounts fixed for the 10th and 25th September be postponed to the 14th and 29th October respectively.

(d) That Bargains open for the Special Settlements fixed for the 7th and 13th August be settled on the 14th October.”

- (2) The Committee have also confirmed the following Resolution :—

“ That nothing in the above shall suspend or postpone the legal obligations of Alien Enemies to fulfil Bargains made by them before the War.”

- (3) The Committee have further Resolved :—

“ (a) Continuation Rates for the extended periods are fixed by Proclamation at 6 per cent.

(b) Payment for securities undelivered on the End July Account is postponed by Proclamation until the 4th October, but the Committee trust that all Members will notwithstanding make every endeavour to settle all outstanding Bargains.

(c) The Secretary's Office and the Official Assignees' Office shall remain open.

(a) These Resolutions were modified by Resolutions of October 2nd, printed at p. 167 below.

(b) The Proclamation of August 6 is printed at pp. 20-22 above.

(c) The Proclamation of September 1st, which is printed at pp. 242, 243, of the Manual of Emergency Legislation, was revoked by Proclamation of September 3rd, 1914, printed at p. 24 above.

(d) The Resolutions of July 31st are printed at p. 162 above.

(e) The Resolutions of August 12th are printed at p. 164 above.

(d) Options declarable while the House is closed must be declared on the due dates.

(e) Bargains done before the 4th August, for special dates up to the 3rd October inclusive, must be completed within two calendar months from such special dates."

### **Minimum Prices.**

#### **TRUSTEE SECURITIES, &c.**

#### **(10) RESOLUTIONS CONFIRMED SEPTEMBER 14, 1914.**

That owing to the exceptional circumstances now prevailing, no Member shall do a bargain or negotiate a purchase or sale whether between Members or Non-Members in

British, Indian and Colonial Government Securities,  
County, Corporation, Public Boards,  
Provincial (British, Indian and Colonial),  
Colonial and Provincial Guaranteed and any 'Trustee' securities,

at a less price than the lower of the prices quoted in the subjoined List, (a) a copy of which can be obtained at the Secretary's Office.

That a Dealer who has sold Securities shall satisfy Brokers' limits or orders before selling such Securities off his own book or undoing his bargain with a fellow Dealer.

That all bargains in Securities for which prices have been fixed shall be for cash and no time bargains or options shall be allowed.

### **Moratorium.**

#### **(11) RESOLUTIONS CONFIRMED OCTOBER 2, 1914.**

In consequence of the Royal Proclamations of 6th August (b) and the 3rd (c) and 30th (d) September, 1914, the Resolutions of the Committee for General Purposes of the 31st July, (e) 12th August (f) and 4th September, 1914, (g) have been duly modified as shown below :—

(1) "That under the provisions of Rule 20 the strict enforcement of Rules 89, 149 and 150 be dispensed with as follows :—

(a) That the Resolutions of the Committee of the 2nd June, the 6th July, the 4th August and the 9th September,

(a) Revised Lists were issued from time to time. See Note (b) to Regulation 3 (3) of the Temporary Regulations printed at p. 173 below.

(b) The Proclamation of Aug. 6 is printed at pp. 20-22 above.

(c) The Proclamation of Sept. 3 is printed at p. 24 above.

(d) The Proclamation of Sept. 30 is printed at pp. 26-28 above.

(e) The Resolutions of July 31st are printed at p. 162 above.

(f) The Resolutions of Aug. 12 are printed at p. 164 above.

(g) The Resolutions of Sept. 4 are printed at p. 166 above.

fixing the Consols Account Days for August, September, October and November and the Ordinary Accounts for August, September, October and November be rescinded.

- (b) That Bargains open for the August, September and October Consols Accounts be settled on the 18th November and those for the November Consols Account on 1st December.
- (c) That Bargains open for all Ordinary Accounts up to and including that of the 14th October be settled on the 18th November, and those for the 29th October and the 12th and 26th November on the 1st December.
- (d) That Bargains open for the Special Settlements fixed for the 7th and 13th August and 14th October be settled on the 18th November."

(2) The Committee have also confirmed the following Resolution :—

"That nothing in the above shall suspend or postpone the legal obligations of Alien Enemies to fulfil Bargains made by them before the War."

(3) The Committee have further Resolved :—

- "(a) Interest on unsettled bargains from the date for which they were originally done up to the 14th October, must be paid within 3 days of that date.(a)
- (b) Contango money payable at the August Consols Account and the Ordinary Mid August Account must be paid on the completion of the bargain.
- (c) Payment for Securities undelivered on the End July Account is postponed by Proclamation until 4th November, on condition that interest at 6 per cent. up to the 4th October is paid within 3 days of that date, but the Committee trust that all Members will notwithstanding make every endeavour to settle all outstanding bargains.
- (d) Rates of interest for the extended periods under (a) and (c) will be fixed by the Committee.(b)
- (e) The Secretary's Office and the Official Assignees Office shall remain open.
- (f) Options declarable while the House is closed must be declared on the due dates."

(a) The following Notice was issued by the Committee, October 7th, 1914 :—  
With reference to paragraph (3) (a) of the Notice of the 2nd October, 1914, the Committee for General Purposes have resolved :—

"That the Moratorium interest is not chargeable on the contango money originally due on the 6th and 13th August."

The Committee have also resolved :—

"That for the time being dividends on Stocks carried on contango shall be credited to the Account, and not deducted from Moratorium interest due."

(b) The following Resolution was passed by the Committee, October 19th, 1914 :—

"That the Rate of Interest for the extended periods under Clauses 3 (A) and 3 (c) of the Notice of the 2nd October be fixed at 6 per cent.

**(12) Liquidating Members.**

On October 2nd, 1914, the Committee issued a new Rule 178A and Regulations thereunder and Resolutions providing for the liquidation under the directions of the Committee of the position and affairs of any member who was unable to meet his engagements promptly, and providing for the suspension of the operation of the following Rules under the heading "Failures" viz., 160 and 162 to 176 (both inclusive), during the present War and for six months after its conclusion. By Resolutions of the same date the old Rules referred to above were suspended until further order.

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**Minimum Prices.**

**AMERICAN SECURITIES.**

**(13) RESOLUTIONS CONFIRMED OCTOBER 3, 1914.(a)**

That owing to the exceptional circumstances now prevailing, no Member shall do a bargain or negotiate a purchase or sale whether between Members or Non-Members in Securities dealt in in the American Market at a less price than the English equivalent of the New York closing prices of Thursday, the 30th July.

That all bargains in such Securities shall be for cash and no time bargains or options shall be allowed.

**(14) ORDER DATED OCTOBER 7, 1914, RELATIVE TO ABOVE RESOLUTIONS.**

(1) That the equivalent be fixed at an exchange of \$5 to the £.

(2) That no price be fixed for Bonds.

(3) That Anaconda Copper and Utah Copper Shares be included; and

(4) That due allowance may be made for dividends since the 30th July.

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**Transactions Open For or With an Enemy.**

**(15) NOTICE DATED NOVEMBER 12, 1914.(b)**

Doubts having been entertained in some quarters as to the position of Members of The Stock Exchange, who, at the outbreak of War, had transactions open for or with an Enemy, a conference was recently held at the Treasury with Members of The Stock Exchange Committee and the following announcement is now authorised:—

Stock Exchange transactions entered into by a Member of The Stock Exchange before the War on behalf of an

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(a) (i) These Resolutions are in harmony with Regulations of August 5th and 12th, 1914, of the New York Stock Exchange.

(ii) See footnote (a) (ii) to Regulation 3 (2) of the Temporary Regulations printed at p. 173 below.

(b) See also the Notice of August 19 as to Enemy Balances, printed at p. 165 above.



*Stock Exchange Regulations :—Quotation of Securities ex Dividend ; American Shares in Enemy Names ; Naturalized Members and Clerks.*

Enemy, and not completed when hostilities began, cannot, in view of the Law relating to Trading with the Enemy, be completed by such Member for the Enemy. Such Member is entitled to close the transaction by purchase or sale as the case may be.

The word "Enemy" in this connection has the meaning defined in the Proclamation relating to Trading with the Enemy<sup>(a)</sup>; i.e., it means "any person or body of persons of whatever Nationality residing or carrying on business in the Enemy Country, but does not include persons of Enemy Nationality who are neither resident nor carrying on business in the Enemy Country. In the case of Incorporated Bodies, Enemy character attaches only to those incorporated in an Enemy Country."

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**Quotation of Securities Ex Dividend.**

GOVERNMENT AND CORPORATION SECURITIES.

(16) RESOLUTION CONFIRMED NOVEMBER 27, 1914.<sup>(b)</sup>

*That under Rule 20, in view of the exceptional circumstances now prevailing, the operation of Rule 101 (1) be suspended, and that the Securities concerned be quoted 'Ex' on the day following the payment of the interest.*

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**American Shares in Enemy Names.**

(17) RESOLUTION CONFIRMED DECEMBER 21, 1914.<sup>(c)</sup>

That American Share Certificates standing in the name of an Alien Enemy are no longer a good delivery.

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**Naturalized Members and Clerks.**

(18) NOTICE DATED DECEMBER 22, 1914.<sup>(d)</sup>

Members and Clerks who have been admitted under the provisions of Rule 29 are required to re-exhibit their Letters of Naturalization. Those who were formerly Citizens of Countries at present at war with the United Kingdom will be further required to satisfy the Committee that they have been denationalized in their Country of origin.

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(a) See Art. 3 of the Trading with the Enemy Proclamation, No. 2, printed at p. 137 above.

(b) This Resolution was rescinded February 1st, 1915.

(c) This Resolution was pursuant to a premonitory Notice of September 17th, 1914, advising registration in non-enemy names of American shares.

(d) This was in anticipation of Temporary Regulation 2 (b) for the Reopening of the Stock Exchange, printed at p. 172 below.

## **2. Reopening of the Stock Exchange.**

### **(1) MEMORANDUM APPEARING IN THE PRESS, THURSDAY, DECEMBER 24TH, 1914, AS TO THE REOPENING OF THE STOCK EXCHANGE.**

The Treasury has approved the opening of the Stock Exchange as from the 4th January, 1915, subject to the restrictions set forth below.

These restrictions, which have been imposed by the Treasury as a condition of reopening, are regarded as being, for the present at any rate, absolutely necessary in the national interests.

The object of them is :—

- (A) To safeguard the London market against forced realisation of securities and against operations for the purpose of depressing prices.
- (B) To close the market absolutely to the enemy both directly and indirectly.

It is essential that all persons dealing in stocks and shares should conform not only to the letter but also to the spirit of the regulations.

It should further be borne in mind that many of the transactions which the rules are designed to prevent are illegal under the Trading with the Enemy Acts<sup>(a)</sup> and Proclamations,<sup>(b)</sup> or under the common law.

### **(2) TEMPORARY REGULATIONS FOR THE REOPENING OF THE STOCK EXCHANGE, CONFIRMED BY THE COMMITTEE, DECEMBER 23RD, 1914.**

1. The Stock Exchange will be opened on and after the 4th January, 1915, from 11 to 3 (11 to 1 on Saturdays) for dealings<sup>(c)</sup> subject to the following temporary regulations, which, until repealed, shall govern the transaction of business in the House and shall form part of the Rules, Regulations, and Usages of the Stock Exchange, and where in any case these temporary regula-

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(a) The Trading with the Enemy Act, 1914 (4 & 5 Geo. 5. c. 87), printed at pp. 124-127 above, and the Trading with the Enemy Amendment Act, 1914 (5 Geo. 5, c. 12), printed at pp. 128-136 above.

(b) The Proclamation of September 9th, 1914, is printed at pp. 136-139 above, that of October 8th, 1914, at p. 142 above, and that of January 7th, 1915, at p. 146 above, and that of February 16th, 1915, at p. 148 above.

(c) The following Notice was, December 31st, 1914, issued by the Committee :—

With reference to Regulation No. 1 of the Temporary Regulations for the Re-opening of The Stock Exchange, the Committee for General Purposes wish to draw the attention of Members to the fact that on and after the 4th January dealings between Members or between Members and Non-Members before eleven o'clock and after three o'clock (one o'clock on Saturdays) are forbidden, and that this Regulation applies to Bargains whether inside or outside the Stock Exchange.

tions differ from any of the existing rules and regulations, the temporary regulations shall have effect and prevail.

2. The following only will be admitted:—

- (a) British-born members or clerks.
- (b) Naturalized members or clerks who have re-exhibited their letters of naturalization to the Committee and, in the case of naturalized members or clerks of enemy origin, have satisfied the Committee that they have been denationalized in their country of origin.(a)

3.—(1) The minimum prices fixed during the time that the Stock Exchange was closed in securities included in the list annexed to the Emergency Rules and in shares dealt in in the American market shall remain in force until the end of January.(b) They shall be subject to such revision, alteration, or extension as the Committee may from time to time determine, but shall not be reduced without the approval of the Treasury.(c)

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(a) See the Notice of the Committee of December 22nd, 1914 (as to Naturalized Members and Clerks), printed at p. 170 above.

(b) See the Resolutions confirmed by the Committee, September 14th and October 3rd, 1914, printed at pp. 167 and 169 above.

(c) The following Letter was sent by the Treasury to the Secretary of the Stock Exchange:—

Treasury Chambers,  
18th March, 1915.

SIR,

I AM directed by the Lords Commissioners of His Majesty's Treasury to advert to your letter of the 8th instant and to previous correspondence on the subject of minimum prices, and to convey to you the decision at which their Lordships have arrived in this matter.

After full consideration of the various representations made to them on the subject, their Lordships think that an immediate reduction of minimum prices is desirable in the public interest, and they accordingly sanction the revised list of prices annexed to this letter, and authorise you to introduce them forthwith.

I am to add that my Lords wish it to be understood that they are not prepared to agree to any proposal for periodical reductions of minimum prices and though they realise that it is impossible to impose a definite requirement that the prices now fixed shall not again be revised they will not be prepared to consider any further variation until a period of at least three months has elapsed from the present date and only then should the conditions prevailing at that time be such as would, in their opinion, justify the re-opening of the question.

The prices of American shares may, however, be revised from time to time without reference to this Department so as to correspond with the English equivalent of the minimum prices officially fixed by the Committee of the New York Stock Exchange.

I am, Sir,

Your obedient Servant,

(Signed) JOHN BRADBURY.

The Secretary,  
Stock Exchange, E.C.

The following Notice was issued by the Committee, March 18th, 1915, in accordance with the above letter:—

The Committee for General Purposes have, with the approval of the Treasury, this day fixed a Revised List of Minimum Prices to come into force to-morrow, the 19th March, 1915.

A Special Edition of the Stock Exchange Daily Official List showing these prices will be published which can be obtained at the Offices of the Publishers at 4, Copthall Buildings, E.C., at or after 9.30 a.m. to-morrow morning.

(2) While this restriction is in force no member shall do a bargain or negotiate a purchase or sale, whether between members or non-members, in securities included in the list annexed to the Emergency Rules or securities in which minimum prices may hereafter be fixed at a less price than the lower of the prices quoted in the minimum price list, and no member shall do a bargain or negotiate a purchase or sale, whether between members or non-members, in shares dealt in in the American market at a less price than the English equivalent of the **minimum prices officially fixed by the Committee of the New York Stock Exchange.**(a)

(3) The Committee may, at their discretion, fix a minimum price for any security, below which no sale may take place, and will, prior to the date of reopening, fix a minimum price for foreign Government and other interbourse securities(b) during the period of the Emergency Rules or pending the opening of continental bourses.

4.—(1) All bargains must be for cash, and may not be continued from day to day.

(2) No new "time bargains" or options will be allowed except in connection with existing contracts.

(3) No dealings will be allowed in any new issue made after the 4th January, 1915, unless specially allowed by the Committee and approved by the Treasury.(c)

(a)—(i) The words printed in heavy type were, March 18th, 1915, substituted for the original wording of this Rule, which was "New York Closing Prices of Thursday, the 30th July."

(ii) The Governing Committee of the New York Stock Exchange on the 31st March removed all Minimum Prices to take effect Thursday, 1st April.

(b) A further list of Minimum Prices was fixed by Notice of the Committee, dated December 31st, 1914, under Regulation 3 (3), but this and the previous list were superseded by the Revised List of 19th March, 1915, referred to in note (c) p. 172 above.

(c)—(i) From time to time Notices have been issued by the Committee comprising lists of securities approved by the Treasury and specially allowed by the Committee under Regulation 4 (3), and additions to such Lists.

(ii) The following Notice was issued by the Committee, January 28th, 1915:—

The Committee for General Purposes have this day directed that Chicago, Milwaukee and St. Paul Railway Company Preferred and Common Stock be quoted "Ex Rights."

They desire to point out that while dealings in the "Rights" are permitted, dealings in Bonds resulting from the "Rights" are forbidden under Temporary Regulation 4 (3), the same being in respect of an issue for an Undertaking carried on outside the British Empire.

(iii) The following Notice was issued by the Committee, February 17th, 1915:—

The Committee for General Purposes have been informed that the London Fiscal Agents of the New York Central and Hudson River Railroad Co. have been informed by the Lords Commissioners of the Treasury that they regret to be unable to agree to the Agents' application for permission to issue to the existing Shareholders on the London Register notices offering them the right to subscribe for their proportion of the new issue of the \$100,000,000 6 per cent. Convertible Bonds of the Company.

The Agents have been further informed the Treasury would be unable to approve dealings in the new Bonds under Paragraph 4 (3) of the Temporary Regulations for the Re-opening of The Stock Exchange.

5. No member will be allowed to bid for or offer stock openly in the market.

6.—(1) Every bargain, whether in quoted or unquoted securities, must be marked and officially recorded.

*Footnote (c) to p. 173 continued—*

(iv) The following Notice was issued by the Committee, April 6th, 1915:—  
The Committee for General Purposes have this day directed that New York Central Railway Capital Stock be quoted "Ex Rights."

They desire to point out that while dealings in the "Rights" are permitted, dealings in Bonds resulting from the "Rights" are forbidden under Temporary Regulation 4 (3), the same being in respect of an issue for an Undertaking carried on outside the British Empire.

(v) The following Notice was issued by the Committee, May 18th, 1915:—

The Committee for General Purposes have this day directed that—

Amalgamated Copper Company Shares be quoted "Ex Rights."

They desire to point out that while dealings in the "Rights" are permitted, dealings in The Anaconda Copper Shares resulting from the "Rights" are forbidden under Temporary Regulation (4) (3), the same being in respect of an issue for an Undertaking carried on outside the British Empire.

(vi) The following Notice was issued 15th March, 1915:—

In the case of Securities, the issue of which has been approved by the Treasury and in which dealings have been specially allowed by the Committee for General Purposes under Temporary Regulation 4 (3), it has been resolved that such Securities be made a good delivery without reference to the Sub-Committee sitting at the Share and Loan Department, 26, Austin Friars, if accompanied by a Red Certificate.

(vii) The following Notice was issued 18th March, 1915:—

Questions having been raised as to the action of Members of The Stock Exchange in negotiating for their Clients subscriptions to or purchases of new issues made abroad, the Committee wish to remind Members that such subscriptions or purchases are not allowed unless the permission of the Committee and the approval of the Treasury have been previously obtained.

Regulation 4 (3) of the Temporary Regulations for the Re-opening of The Stock Exchange lays down that—

"No dealings will be allowed in any new issue made after the 4th January, 1915, unless specially allowed by the Committee and approved by the Treasury."

The Treasury Notice of the 18th January, posted in the House on the 19th January, lays down that—

"Issues or participations in issues for undertakings carried on or to be carried on outside the British Empire shall not be allowed."

The Treasury Notices which at various times have been issued by the Lords Commissioners of His Majesty's Treasury, state that such restrictions, held to be necessary in the National interests, should be considered binding not only on Members of The Stock Exchange but on the whole community.

[The Treasury Notices referred to are printed under the heading "FRESH ISSUES OF CAPITAL."]

(viii) The following form of Declaration is required under Regulation 4 (3):—

[**"Red" form.**]

Title of Security \_\_\_\_\_

Numbered \_\_\_\_\_

*I*  
*We* hereby declare that the above Security has remained in physical possession in the United Kingdom since the date of issue.

Signature \_\_\_\_\_

Description \_\_\_\_\_

Date \_\_\_\_\_

(2) A broker making a sale shall sign and hand to the buyer at the time of making the bargain a slip in duplicate containing the following particulars<sup>(a)</sup> :—

- (a) In the case of inscribed stock the name of the transferor.
- (b) In the case of registered shares or stock the numbers (if any) of such shares or stock<sup>(b)</sup> and the name of the transferor.
- (c) In the case of securities to bearer the distinguishing numbers of the securities..
- (d) In the case of American shares the numbers of the certificates and the names in which they stand.
- (e) The price of the bargain.

(a) The following is the form of Slip amended February 2nd, 1915 :—

ONLY ONE SECURITY TO BE ENTERED ON EACH SLIP.

Date \_\_\_\_\_ 1915.

NAME OF STOCK OR SHARE.	Bargain at Current Price.	† Small Bonds.	‡ Exceptional Bargains.	§ Small Amounts, Seller Paying Stamp and Fee.	 Free of Stamp Duty.	Δ Bargain done with or between Non-Members.	* Late business transacted on the previous day in another Stock Exchange.

*The following particulars to be also supplied.*

(a) For Incribed Stock, the Name of the Transferor ...	
(b) For Registered Stock or Shares, the numbers (if any) and the Name of the Transferor ...	
(c) For Securities to Bearer, the distinguishing numbers...	
(d) For American Shares, the numbers of the Certificates and the Names in which they stand ...	

*Seller's Signature*

*Buyer's Signature*

(b) The following Notice was, January 4th, 1915, issued by the Committee :—

REGULATIONS 6 AND 7.

“The Committee for General Purposes have this day Resolved that in the case of Registered Shares the Numbers of the Shares as received from the Seller are to be inserted in or attached to Tickets when issued by the Buyer.”

(3) The buyer shall forthwith sign and hand the slip in at the marking board, retaining the duplicate himself.

(4) A dealer making a sale shall furnish the above particulars on the same day.

6A(a).—(1) When a message is received after 3 p.m. from any Stock Exchange in the United Kingdom reporting business done before that hour the bargain may be marked at the next opening of The Stock Exchange to which the business is reported as late business transacted the previous day.

(2) When a message is received after 3 p.m. from any Stock Exchange abroad reporting business done and provided that the order for the business was handed in for transmission before 3 p.m. on that day the bargain may be marked at the next opening of The Stock Exchange to which the business is reported as late business transacted the previous day.

7.(b) No member shall tender or accept delivery of any securities other than those specified or of any securities which are not good delivery under these regulations.

8. Arbitrage business is until further notice prohibited.

9. No securities will be a good delivery unless supported by a declaration by a banker, broker, or other responsible party that they have remained in physical possession in the United Kingdom since the 30th September and have not since the outbreak of war been in enemy ownership(c). Where securities have been deposited against a loan before the outbreak of war they shall be deemed for the purpose of this regulation to be in the ownership of the lender. Securities which have been transmitted abroad before the 23rd December merely for registration shall for the purpose of this regulation be deemed to have remained continuously in physical possession in the United Kingdom.

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(a) Regulation 6A was added February 15th, 1915.

(b) See footnote (b) on p. 175.

(c) The following are the forms of Declaration required under Regulations 9 and 10 :—

[“ **White** ” form.]

Title of Security \_\_\_\_\_

*I*  
*We* hereby declare under the provisions of the above Regulation that the above Security has remained in physical possession in the United Kingdom since the 30th September, 1914, and has not since the outbreak of war been in Enemy ownership.

Signature \_\_\_\_\_

Description \_\_\_\_\_

Date \_\_\_\_\_

10. No securities to bearer or endorsed in blank will be a good delivery unless impressed with the Government stamp dated previous to the 1st October, and accompanied by a declaration by a banker, broker, or other responsible party that they have not since the outbreak of war been in enemy ownership, except in cases permitted under Regulation 4 (3) or securities sent for registration abroad under Regulation 9, and such other securities as may

Footnote (c) on p. 176—continued.

["**Pink**" form.]

Title of Security \_\_\_\_\_  
Numbered \_\_\_\_\_

*I*  
*We* hereby declare that the above Security has not since the outbreak of war been in Enemy ownership.

Signature \_\_\_\_\_

Description \_\_\_\_\_

Date \_\_\_\_\_

Note.—A Resolution passed January 14th, 1915, provided that War Loan Scrip or Stock will be a good delivery accompanied by the Pink Certificate only.

["**Blue**" form.]

Title of Security \_\_\_\_\_  
Numbered \_\_\_\_\_

*I*  
*We* hereby declare that the above Security although dated subsequently to the 30th September has not been in Enemy ownership since the 1st October and has been transmitted abroad merely for the purpose of Registration.

Signature \_\_\_\_\_

Description \_\_\_\_\_

Date \_\_\_\_\_

["**Green**" form.]

Title of Security \_\_\_\_\_  
Numbered \_\_\_\_\_

I hereby certify that the above Security has been expressly passed by the Committee as a good delivery, special cause having been shown.

Signature \_\_\_\_\_

Secretary \_\_\_\_\_

Date \_\_\_\_\_

["**Grey**" form.]

Title of Security \_\_\_\_\_  
Numbered \_\_\_\_\_

We hereby declare that the above Security has remained in physical possession in the United Kingdom since it was passed by the Committee as good delivery.

Signature \_\_\_\_\_

Date \_\_\_\_\_

[This "Grey" form was approved April 6th, 1915, for use in case of securities originally passed by the Committee and for which a "Green" form had been granted.]



be expressly passed by the Committee as a good delivery on special cause being shown. (a) (b)

(a) See note (c) on pp. 176, 177.

(b)—(i) The following Notice was issued January 11th, 1915 :—

A Member selling Securities to Bearer or endorsed in blank is only required to furnish the buyer with one declaration in respect of the whole of the Securities sold, and cannot be called on to supply a declaration in respect of each Bond or Certificate.

If the buyer of the Securities wishes to pass them on in smaller parcels, he must make the necessary declarations himself.

(ii) The following Notice was issued January 18th, 1915 :—

#### REGULATION 10.

Members wishing to have Securities passed as a good delivery under the provisions of Regulation 10, will fill up a form giving the description and numbers of the Securities and stating concisely the special cause in each case.

These forms can be obtained at and must be returned to the Secretary to the Share and Loan Department before 10.30 a.m., and will be placed before a Sub-Committee which will sit daily at the Share and Loan Department, 26, Austin Friars, at 11.30 a.m.

A Member of the Firm submitting the Bond or Certificate will be required to attend at that time.

(iii) The Form of Application under Regulation 10 is as follows :—

[“Brown” form.]

#### NAME OF SECURITY

(only one Security to be entered on this Form).

NUMBERS AND AMOUNTS OF BONDS or in case of Certificates in American Form the NUMBER OF THE CERTIFICATE and the NAME OF THE REGISTERED HOLDER and DATE OF REGISTRATION.

The above are all properly stamped with the English Stamp dated \_\_\_\_\_

and are stamped with \_\_\_\_\_ Foreign Stamp.

[Give particulars if any.]

They are the property of a British Subject and have been in physical possession in the United Kingdom since \_\_\_\_\_

and were previously in possession of [No trace required previous to declaration of War] \_\_\_\_\_

$\frac{I}{We}$  request the Committee to grant a certificate of good delivery for the following special cause, viz :—

And  $\frac{I}{We}$  declare all the above particulars to be true.

Signature \_\_\_\_\_

Date \_\_\_\_\_

(iv) The following Notice was issued, January 22nd, 1915 :—

#### REGULATION 10.

With reference to the Notice of the 18th January, 1915, the Committee for General Purposes have resolved that Stock “Authorised or issued to British subjects since 30th September, 1914, and prior to the 4th January, 1915, also Bonds exchanged for Scrip, which Scrip was issued before 4th January, 1915, be made a good delivery without reference to the Sub-Committee if accompanied by a Pink Certificate and provided that such Securities are passed by the Sub-Committee and a List of them is posted in the House.”

Notices comprising such Lists have been issued from time to time.

11. The expression "enemy" in these regulations means any person or body of persons of whatever nationality resident or carrying on business in an enemy country, but does not include persons of enemy nationality who are neither resident nor carrying on business in an enemy country. In the case of incorporated bodies, enemy character attaches only to those incorporated in an enemy country.(a)

12. A broker before completing any [selling(b)] order must obtain a declaration in writing from his client, and must fully satisfy himself that such [selling(b)] order is not on behalf of or for the benefit of alien enemies, either directly or indirectly.(c)

13. Any member found guilty of negligence in relation to any of the above will be brought under the Disciplinary Rules.

(3) TREASURY NOTICE, DATED JANUARY 19, 1915.

The Lords Commissioners of the Treasury desire to call the attention of all persons and houses whose business includes any transactions in stocks and shares to the restrictions which have been imposed as a condition of the re-opening of the Stock Exchanges in the United Kingdom, which restrictions are regarded as being for the present, at any rate, absolutely necessary in the national interests, and to point out that it is most important in these interests that the same restrictions, so far as applicable, should be applied to all transactions in stocks, shares, &c., whether through the Stock Exchanges or through other channels.

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(a) This definition of "enemy" is identical with that in the Trading with the Enemy Proclamation, No. 2.

(b) The word "selling" was added January 19th, 1915.

(c)—(i) The following is the form of Declaration required under Regulation 12:—

[**"Yellow" form.**]

With reference to  $\frac{my}{our}$  order for the sale of \_\_\_\_\_

$\frac{I}{We}$  hereby declare that such order is not on behalf of or for the benefit of Alien Enemies either directly or indirectly.

Signature \_\_\_\_\_

Date \_\_\_\_\_

*Note.*—The Yellow Declaration Form is now altered in accordance with the amendment made in Regulation 12 by the insertion of "selling" therein.

(ii) The following Notice was issued by the Committee, January 7th, 1915:—

It has been reported to the Committee that Brokers dealing with the Provinces have been accepting General Declarations to the effect that all Bargains forwarded by them to their London Agents comply with Regulation 12.

This Regulation requires that the Declaration should be received from the Client before the completion of any order but not necessarily before its execution.

The Committee give notice that a Yellow Form, signed by the Country Broker, must be supplied before the completion of any order.

The Committee further desire to impress on Members their personal responsibility for the accuracy of the Declarations they sign under Regulations 9 and 10.

*Resolutions of Stock Exchange Committee as to Selling-out.*

The restrictions are set out in the annexed memorandum,<sup>(a)</sup> which appeared in the Press on December 24th: special attention is directed to Nos. 9, 10, and 12.

Copies of the memorandum<sup>(a)</sup> can be obtained on application to the Treasury.

Treasury Chambers, S.W.,  
19th January, 1915.

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(4) RESOLUTION, CONFIRMED FEBRUARY 8, 1915, BY THE COMMITTEE FOR GENERAL PURPOSES OF THE STOCK EXCHANGE AS TO SELLING-OUT.

That while the Temporary Regulations are in force, Members who are unable to obtain tickets for Registered Shares or Stock sold for cash should report the matter in writing to the Manager of the Buying-in and Selling-out Department, who will enquire into the reason of the delay and report to the Committee who will decide whether Selling-out shall take place.

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(5) RESOLUTION, CONFIRMED MAY 17, 1915, BY THE COMMITTEE FOR GENERAL PURPOSES OF THE STOCK EXCHANGE AS TO SELLING-OUT.

That in any case where a report as to the failure to issue a Ticket is made after 12 noon on the fifth business day after the date of the Bargain, the Manager of the Buying-in and Selling-out Department be instructed to claim the Authorised Official Charge of the Member against whom the report is made, whether the Shares or Stock are sold out or not.

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<sup>(a)</sup> This Memorandum with the Regulations thereto annexed is printed at pp. 171-179 above.

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## **XI. RESTRICTIONS ON FRESH ISSUES OF CAPITAL.<sup>(a)</sup>**

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- (1) **TREASURY ANNOUNCEMENT APPEARING IN THE PRESS, FRIDAY, JANUARY 19TH, 1915, AS TO CONTROL OF FRESH ISSUES OF CAPITAL.**

In connection with the re-opening of the Stock Exchanges<sup>(b)</sup> the Treasury have had under consideration the general conditions under which new issues of capital in the United Kingdom can be permitted during the continuance of the War.

It appears to the Treasury that in the present crisis all other considerations must be subordinated to the paramount necessity of husbanding the financial resources of the country with a view to the successful prosecution of the War. Accordingly they wish it to be understood that until further notice they feel it imperative in the national interest that fresh issues of capital shall be approved by the Treasury before they are made.

Treasury approval will be governed by the following general conditions:—

- (1) Issues for undertakings carried on or to be carried on in the United Kingdom shall only be allowed where it is shown to the satisfaction of the Treasury that they are advisable in the national interest.
- (2) Issues or participations in issues for undertakings carried on or to be carried on in the British Empire Over-Seas shall only be allowed where it is shown to the satisfaction of the Treasury that urgent necessity and special circumstances exist.
- (3) Issues or participations in issues for undertakings carried on or to be carried on outside the British Empire shall not be allowed.
- (4) The Treasury will not in ordinary cases insist upon the above restrictions where issues are required for the renewal of Treasury Bills or other short instruments held here and falling due of Foreign or Colonial Governments or municipal corporations or railways or other undertakings.

All applications should be made in the first instance to the Treasury.

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<sup>(a)</sup> Section 1 (5) of the Statutory Companies (Redeemable Stock) Act, 1915 (printed at p. 187 below) provides that redeemable stock shall not be created or issued thereunder during the continuance of the war and a period of twelve months thereafter without the consent of the Treasury. Section 3 (3) of the Fishery Harbours Act, 1915 (5 & 6 Geo. 5. c. 48) imposes a like restriction on borrowings by councils for the purposes of that Act. Similar restrictions on the borrowing or raising of moneys are imposed by various Local Acts and Provisional Orders of the Session 5 & 6 Geo. 5.

<sup>(b)</sup> See documents printed at pp. 171-180 above, under the sub-heading "RE-OPENING OF THE STOCK EXCHANGE."

*Treasury Control of Fresh Issues of Capital.*

The Treasury will not be prepared to approve under paragraph 4 (3) of the Temporary Regulations for the Re-opening of the Stock Exchange<sup>(a)</sup> any dealings in new issues which have not been approved by the Treasury before they are made.

Treasury Chambers,  
Whitehall, S.W.  
18th January, 1915.

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(2) TREASURY ANNOUNCEMENT, DATED JANUARY 27TH, 1915, OF THE APPOINTMENT OF A COMMITTEE TO CONSIDER APPLICATIONS FOR APPROVAL OF FRESH ISSUES.

It is announced that the Chancellor of the Exchequer has appointed a committee to consider and advise upon applications received by the Treasury for approval of fresh issues.

The members of the committee, which has held its first meeting, are the Right Hon. the Viscount St. Aldwyn (chairman), Lord Cunliffe, Governor of the Bank of England, Sir Frederick G. Banbury, Bart., M.P., the Right Hon. Sir Thomas P. Whittaker, M.P., and <sup>(b)</sup>Mr. G. Stapylton Barnes, C.B., of the Board of Trade. The secretary to the committee is Mr. Basil P. Blackett, C.B., of the Treasury.

Treasury Chambers,  
Whitehall, S.W.  
27th January, 1915.

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(3) TREASURY NOTICE, APPEARING IN THE PRESS, FRIDAY, JANUARY 29TH, 1915, AS TO CONTROL OF FRESH ISSUES OF CAPITAL.

The approval of the Treasury should be obtained for all fresh issues of capital of whatever nature, whether made on behalf of a Government, municipality, or other public body, or any company, whether public or private. Treasury approval is not required for calls or instalments on shares, stock, debentures or bonds already issued.

All applications for approval of fresh issues should be addressed to the Treasury, the envelope being marked "Capital Issues." In order to save delay and reduce correspondence to a minimum, it is desirable that the fullest particulars should be given in each case.

Treasury Chambers,  
Whitehall, S.W.  
28th January, 1915.

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(a) Paragraph 4 (3) of the Regulations is printed at p. 173 above.

(b) The following Notice appeared in the Press, Friday, June 4th, 1915 :—  
Captain E. G. Pretyma, M.P., has been appointed a member of the Treasury Committee on Fresh Issues of Capital in place of Mr. George Stapylton Barnes, C.B., whose other duties prevent him from remaining a member of the Committee.

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(4) CIRCULAR LETTER OF THE LOCAL GOVERNMENT BOARD TO LOCAL AUTHORITIES AS TO APPROVAL OF FRESH ISSUES OF CAPITAL.

Local Government Board,  
Whitehall, S.W.,  
25th March, 1915.

*Borrowing by Local Authorities.*

SIR,

IN their circular letter of the 11th instant the Local Government Board referred to the decision of the Lords Commissioners of His Majesty's Treasury to restrict capital issues by Local Authorities within the narrowest limits.<sup>(a)</sup> It was pointed out in the same circular letter that labour should be economised by Local Authorities as far as possible and that the inception of new works, except such as are of pressing necessity either for reasons of public health or on account of war requirements, should be avoided.

The Board have been in communication with their Lordships in regard to this matter and it has now been arranged, in order to meet the convenience of Local Authorities and to avoid duplication of labour, that the sanction, approval or consent of the Local Government Board to any borrowing under powers conferred by Public General Acts or by Local Acts or Provisional Orders, under which such sanction, approval or consent is required, shall suffice without any further approval by the Treasury where

- (a) the sanction, approval or consent has been given on a date subsequent to the 12th instant; and
- (b) the money proposed to be raised is to be raised otherwise than by the issue of stock, bonds or bills.

Where a Local Authority hold a sanction, approval or consent of the Board of an earlier date than the 12th instant which has not yet been acted upon, whether wholly or in part, no further action must be taken upon it without a further sanction from the Board authorising the action, unless the money is to be raised by the issue of stock, bonds or bills, when the consent of the Treasury must be obtained instead of the further sanction of the Board.

The Treasury have further decided that their approval will not henceforth be required for the renewal or replacement by Local Authorities of maturing mortgages.

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(a) (i) See the Treasury Announcements printed above.

(ii) The reference in the Board's Circular Letter of March 11th (which related to the Organisation of Labour), is as follows :—

“Moreover, it is essential to see that capital as well as labour is made available in the directions in which it can best further the national interests during the war, and, as you are no doubt aware, the Lords Commissioners of His Majesty's Treasury have decided to restrict capital issues by local authorities, as well as by public companies, within the narrowest limits.”

With respect to the statement in the Board's circular letter to which reference is made in the first paragraph above that it has become necessary to avoid the inception of all new works except such as are of pressing necessity either for reasons of public health or on account of war requirements, it must be understood that these terms will be construed in their strict sense.

Consequently, before any application is made to the Board with a view to the immediate execution of works, Local Authorities should fully satisfy themselves that they can show that the expenditure cannot be avoided, postponed or reduced. Any application should be accompanied by a statement of the facts upon which the Local Authority rely to prove these points.

The Treasury are anxious that the attention of Local Authorities should be particularly drawn to the fact that economies and restrictions on borrowing are possible not only as regards new works but also as regards works in progress. As regards these latter it will frequently be found possible by arrangement with contractors or otherwise to postpone works or parts of them or to enlarge the period allowed under contract for their completion. In any case in which an application for sanction to this Board or to the Treasury is necessary, where works are in progress or are the subject of a contract, it will be necessary to demonstrate that every possible effort has been made in this direction before the extent of the application has been finally determined upon.

I am, Sir,

Your obedient Servant,

*H. C. Monro,*

Secretary.

The Clerk to the Local Authority.

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(5) QUESTIONS ASKED AND ANSWER GIVEN IN THE HOUSE OF COMMONS ON MAY 18TH, 1915, AS TO TREASURY RESTRICTIONS ON CAPITAL ISSUES.

MR. MACCALLUM SCOTT,—To ask Mr. Chancellor of the Exchequer, whether he is aware that the Treasury has no power to prevent the registration of a new joint stock company, in regard to which it has refused to approve the issue of the capital with which it proposes to operate; and whether he proposes to ask Parliament for powers to prohibit the issue of such capital.

MR. MACCALLUM SCOTT,—To ask the Prime Minister, whether he proposes to introduce legislation with the object of controlling the issue of fresh capital in this Country without the approval of the Treasury.

The Treasury have no legal power to make their disapproval of fresh issues of Capital effective and the Government do not propose to seek such power at the present time. I do not, however, consider it probable that in present circumstances promoters will persist in propositions of which the Treasury have expressed disapproval, or that if they do persist, such propositions will be supported by the public. Should they do so, the question whether any advantage they may thereby obtain over those who have been content to be guided by the rules laid down, should not be counterbalanced by special fiscal burdens will not fail to receive careful consideration.

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## XII.—REDEEMABLE STOCK AND SHARES.

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THE STATUTORY COMPANIES (REDEEMABLE STOCK) ACT, 1915  
(5 & 6 GEO. 5, c. 44).

An Act to enable certain Statutory Companies to create and issue Preference Shares or Stock, and Debentures or Debenture Stock, so as in each case to be redeemable.(a) [19th May 1915.]

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

Issue of re-deemable preference or debenture stock.

1.—(1) Where a statutory company as defined by this Act are authorised to raise any preference or debenture stock, they may create and issue that stock so as to be redeemable on such terms and conditions as may be specified in a resolution of the company passed at a special meeting convened for the purpose.

(2) If it is so provided in the resolution the statutory company may—

(a) call in and pay off the stock or any part thereof at any time before the fixed date of redemption; and

(b) redeem the stock or any part thereof, either by paying off the stock or by issuing to any stockholder, subject to his consent, other stock in substitution therefor; and may, for the purpose of providing money for paying off the stock or of providing substituted stock, create and issue new stock (either redeemable or irredeemable) or reissue stock originally created and issued under this section, provided that the creation and issue for the purpose of any particular class of stock does not make the total nominal amount of that stock issued exceed the amount of that class of stock which the company are for the time being authorised to create.

(3) The company may set aside out of revenue, after providing for the payment of interest on any loan, or on any guaranteed, preference or debenture stock of the company, and for other fixed charges and obligations, such sums as they may consider proper for the purpose of forming a fund for the redemption at maturity of any redeemable preference or debenture stock which, under the conditions of the creation and issue of that stock, is to be redeemed wholly or partly in cash; and the company may invest any sums

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(a) This Act enables certain statutory companies, that is to say, companies having parliamentary powers for public purposes, such as railway, dock, water, gas companies, &c., to issue redeemable preference or debenture stock.

These companies can at present only issue stock on war terms, and in most cases will have no power (apart from the powers under the Act) to redeem any stock so issued, when normal conditions again prevail.

so set apart, and the income therefrom, in any securities in which trustees are for the time being by law authorised to invest trust funds, or in any other securities (not being securities of the company except as hereinafter provided) in which they may be authorised to invest those sums by a resolution passed at a general meeting of the company.

Any sums so set apart shall be applied for the redemption at maturity of any redeemable preference or debenture stock for the redemption of which they have been set apart, but may, if the directors of the company think fit, be also at any time applied in the purchase of any such stock at a price not exceeding the redemption price, and any stock so purchased shall be cancelled.

(4) A resolution of a statutory company, passed before the commencement of this Act and after the outbreak of the war, for the creation or issue of redeemable stock shall, for the purposes of this Act, have the same effect as if this Act had been in operation at the time when the resolution was passed.

(5) This Act shall apply only to stock authorised to be created or to be issued before the outbreak of the present war, or after the outbreak of the present war, and before the commencement of this Act; and redeemable stock shall not be created or issued, in pursuance of the powers given by this Act, during the continuance of the present war and a period of twelve months thereafter except with the consent of the Treasury. (a)

**2.**—(1) In this Act, unless the context otherwise requires,—

The expression “statutory company” means any railway company, canal company, dock company, water company, or other company incorporated by special Act, who are for the time being authorised under such an Act to construct, work, own, or carry on any railway, canal, dock, water, or other public undertaking, and includes any person or body of persons so authorised.

The expression “special Act” includes any certificate or order having the force of an Act.

Interpretation and construction.

(2) The provisions of this Act shall apply to preference shares in the same manner as they apply to preference stock, and to debentures in the same manner as they apply to debenture stock.

(3) The powers given by this Act shall be deemed to be in addition to, and not in derogation of, any other powers under any other Act; and those powers may be exercised in the same manner as if this Act had not passed.

**3.** This Act may be cited as the Statutory Companies (Redeemable Stock) Act, 1915. Short title.

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(a) As to other restrictions on fresh capital issues, *see* pp. 181–185 above.



[References in *italics* are to documents not (June 4th, 1915) in force.]

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**London Gazette.** For date of first gazetting of each Proclamation, &c., *see* footnotes to Proclamations, &c., so gazetted. A return of Currency Notes is published in the Gazette of each Friday, commencing with that of August 28th, 1914.

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